Report Form
FD-72 (5-12-55)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHICAGO	CHICAGO	7-3-62	9/15/61 - 6/7/62

TITLE OF CASE	REPORT MADE BY	TYPED BY
LESLIE EARL KRUSE, Aka. Lester Kane, Lester Kruse, Killer Kane, Les Kane, Les Kruse, Kelly Kove, Richard Burnas, Les Mc Carthy, Lee Marshall, Joe Marshall, J. Sweeney, George Howley	SA [redacted]	SLG
	CHARACTER OF CASE AR	

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SUMMARY

REFERENCES: Report of SA [redacted] dated 11/24/61 at Chicag
Report of SA dated 3/6/62 at Chicago
Report of SA [redacted] dated 5/11/62 at Chicag

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ENCLOSURE TO THE BUREAU

Enclosed herewith are two (2) copies of a letterhead memorandum characterizing informants utilized in this report.

LEADS

MIAMI

AT MIAMI, FLORIDA. Two copies of this report are furnished to the Miami Division inasmuch as CRUSE has a residence in Lake Worth, Florida, where continual and extensive investigation has been conducte in the past.

APPROVED SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:
3 - Bureau (92-5505) (Encl. 2)
1 - USA, Chicago
2 - Miami (92-749)
1 - Milwaukee (Info)
2 - New York
4 - Chicago (92-1037)

92-5505-20

REC- 38

25 JUL 5 1962

53 JUL 20 1962

cc: AAG Criminal Division
Form 06 2/19/62

1- 1041

PROPERTY OF FBI.—This report is loaned to you by the FBI, and neither it nor its contents are to be distributed outside the agency to which loaned.

MILWAUKEE

AT MILWAUKEE, WISCONSIN. One copy is being furnished the Milwaukee Division since KRUSE is operating a large gambling game in northern Illinois and soon expected to open another game designed to draw patrons from the State of Wisconsin.

NEW YORK

AT NEW YORK, NEW YORK. Two copies of this report are been furnished for New York since there is presently outstanding investigation in that Division.

CHICAGO

AT CHICAGO, ILLINOIS. 1) Will continue to conduct logical investigation concerning the subject's background, activities, associates, and business and financial investments.

2) Four copies of this report are being designated for the Chicago Division since additional copies may be required for other Divisions in the future.

ADMINISTRATIVE

[redacted] has been utilized in this investigation to a considerable extent and is reported in this report under several T symbols. This was done to protect him inasmuch [redacted] KRUSE and, therefore, his identity must be protected carefully. b7D

CG 6343-C* has also been protected by multiple T symbols in this report because of its highly confidential nature necessitating the additional precautions as utilized in this report.

Careful consideration has been given to the sources concealed and T symbols were utilized only in those instances where the identities of the sources must be concealed.

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INFORMANTS

CG T-1, [redacted] furnished information to SAs JOSEPH G. SHEA and WILLIAM A. MENICKE.

CG T-2, [redacted] Lake Worth, Florida, contacted by SA RICHARD B. KELLOGG.

CG T-3, [redacted] Lake Worth, Florida (requested), contacted by SA KELLOGG.

CG T-4, [redacted] furnished information to SA RALPH R. HILL.

CG T-5, [redacted] Street, [redacted] Florida, contacted by SA KELLOGG.

CG T-6, [redacted] Lake Worth, Florida, (requested) to SA KELLOGG.

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CG T-7, [redacted]

CG T-8, CG 6343-C*

CG T-9, CG 6343-C*

CG T-10, [redacted] to SA WILLIAM F. ROEMER.

CG T-11, former PCI [redacted] to SA HILL.

CG T-12, former PCI [redacted] to SA HILL.

CG T-13, [redacted] Chicago Tribune, to SA [redacted]

CG T-14, CG 6343-C*

CG T-15, [redacted] contacting agent unknown.

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CG T-16, PCI [redacted] to SA HILL.

CG T-17, [redacted] to SAs [redacted] and [redacted] on various dates.

CG T-18, [redacted]

CG T-19, Internal Revenue Service

CG T-20, [redacted] to SAs MEINCKE and SHEA.

CG T-21, records of Dun and Bradstreet, 300 West Adams, Chicago, Illinois.

CG T-22, [redacted] Chicago, to unknown agent. b6 b7C b7D

CG T-23, [redacted]

CG T-24, [redacted]

CG T-25, [redacted], Chicago Police Department to SA [redacted].

CG T-26, [redacted]

CG T-27, [redacted] who furnished information to SAs SHEA and MEINCKE.

Copy to: 1 - USA, CHICAGO

Report of: SA [redacted] Office: CHICAGO b6 b7C

Date: 7-3-62

Field Office File #: 92-1037 Bureau File #: 92-5505

Title: LESLIE EARL KRUSE

Character: ANTI-RACKETEERING

Synopsis: LESLIE EARL KRUSE, FBI Number 274 989B, born 10/5/06, Niles Center, Illinois. KRUSE, wife [redacted] and children [redacted] live 5206 West Oakton, Skokie, Illinois, and frequent their residence in Lake Worth, Florida. KRUSE's arrest and FBI record set forth. In 1948 KRUSE's Chicago Police Department record and prints destroyed. Associates set forth. KRUSE operates large gambling games from northern Illinois to Indiana line and is considered influential in Chicago underworld operations reportedly meeting often with other Chicago top hoodlums. KRUSE's large financial interests in Nu-Way Plumbing Company has provided him with a legitimate front. KRUSE invests heavily in stock market. KRUSE's [redacted] Description set forth. b6 b7C

Referral/Consult

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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CG 92-1037
EWA:LJC

DETAILS:

I. PERSONAL HISTORY AND BACKGROUND

Birth

On September 20, 1961, the files of the Cook County Bureau of Vital Statistics, 130 North Wells Street, Chicago, Illinois, were caused to be searched by Investigative Clerk (IC) [redacted] and the following information was disclosed under delayed series certificate number 20995 filed October 4, 1945:

LESLIE EARL KRUSE was born October 5, 1906, at Niles Center, Illinois. He was male, legitimate, and the second child. The father was listed as RICHARD KRUSE, white, age 24, born in Germany and his occupation was listed as florist.

The mother was listed as ANNA L. WAGNER, white, age 20, born Niles Center.

The affidavit of this birth was made by KRUSE's mother ANNA L. KRUSE of 5206 Oakton Street, Skokie, Illinois, on October 3, 1945.

Present Residence

5206 West Oakton Avenue
Skokie, Illinois

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[redacted] who is presently assigned to the Alcohol Tax Unit, Chicago, advised SA WILLIAM F. ROEMER, Jr., on September 23, 1960, that he had been attempting to serve a subpoena on LESTER KRUSE. He has ascertained that KRUSE resides at 5208 Oakton, Skokie, Illinois. He said he is using the alias RICHARD BURNAS at this address and that he is driving a 1960 Pontiac convertible. The 1960 license plate was listed to [redacted] at [redacted], Skokie. It is noted that [redacted] is [redacted] of LESLIE KRUSE. [redacted] stated further that ANNA KRUSE, the mother of LESLIE, and VIOLA KRUSE, LESLIE's sister, reside at 5206 Oakton.

[redacted] also advised that he has checked the Voter's Registration Card and has determined that LESTER E. KRUSE resides at 5208 Oakton. He stated he also understands that KRUSE maintains a home in Florida. [redacted] also

observed a Mercury station wagon, bearing 1960 Illinois license [redacted] at the KRUSE residence stating he believes this belongs to KRUSE's [redacted]. This license is registered to [redacted], Chicago. He stated that a woman he believes to be a [redacted] of the KRUSE's drives a 1954 Chevrolet with 1960 Illinois license [redacted] This is listed to [redacted], Skokie. Chicago T-1 advised February, 1961, that KRUSE's home telephone number is OR 5-1123.

On October 6, 1961, [redacted] Skokie, advised that he and his sisters have resided at this address for [redacted] years and that ANNA KRUSE, who lives at 5206 Oakton, which is the second house from the corner, was living at that address when he moved in. He stated that from the position of these two residences, his home gives him visual access to the entire backyard of the KRUSE residence. He said that to his knowledge, LES KRUSE appeared at this residence about 10 years ago and is apparently now living with his mother. He said that LES cuts the grass and does a great deal of handiwork around the house but always wears a hat while doing these chores. He said that the KRUSEs completely keep to themselves giving the impression that they may think they are better than the other people in the neighborhood.

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[redacted] advised that KRUSE's [redacted] name unknown, is in college and he also has a daughter and another son.

He said that he heard that KRUSE sold his home in Florida not too long ago because [redacted] (LESTER's [redacted]) did not wish to remain there while LES stayed in Chicago but he has subsequently heard that KRUSE has purchased another home somewhere in Florida.

[redacted] stated he has seen KRUSE off and on for the past several years but has not seen him in the last week. [redacted] was exhibited a photograph of KRUSE taken in 1959 and stated that this photograph did not closely resemble KRUSE since in his photograph KRUSE was wearing glasses which in fact he seldom does.

[redacted] said that DICK BURNAS lives in a brick home at the rear of KRUSE's residence (5208 Oakton). He said that this was a garage made over into a residence and BURNAS seems

to be KRUSE's handy man who handles KRUSE's plumbing business somewhere in Chicago. He added further that BURNAS appears to be a contractor of some sort and may be in business for himself so far as he is aware.

It is herein noted that [redacted] is [redacted] and thus it is very difficult to converse successfully with him. However, [redacted] expressed a willingness to help in any way possible in furnishing information concerning KRUSE.

On November 6, 1961, [redacted] Saint Peter's United Church of Christ, Oakton and Laramie, advised that he is somewhat acquainted with LESTER KRUSE, however, not as well as he is with KRUSE's [redacted] and his family. He said that KRUSE's [redacted] has been extremely active in the Sunday School and church choir for years. However, sometime during this past summer, the KRUSE family left for Florida, allegedly permanently and he has not seen them since. He said that the KRUSE family are not members of this church although KRUSE's [redacted] has donated to the church in the past. He said that in past years KRUSE's mother ANNA and sister VIOLA KRUSE have been active church members.

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[redacted] was exhibited a photograph of KRUSE and stated that KRUSE seldom wears glasses and he would not consider this to be a good photograph. He stated that KRUSE has not been seen in the neighborhood by him for a considerable time and he knows nothing of KRUSE's associates or personal business other than what he has read in the papers.

From personal observation, the residence at 5206 Oakton is a white frame house with green shingles and awnings and is the second house from the corner of Oakton and Laramie on the northwest side of this intersection.

5208 Oakton has a drive on the west side of 5206 and is hidden from view on Oakton Street by a wooden unpainted pole fence and dense shrubs about seven feet high. It is located across the street from the Skokie Public Library and approximately one block away and across the street from the Skokie Municipal Building which also houses the Skokie Police Department. This is a red brick ranch type home with an attached two car garage on the east at the drive. This residence also has green shingles. An alley runs east and west at the rear of the house and on the northwest side lies a partial eight foot redwood pole fence adding further seclusion to this lot.

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On March 8, 1962, the records of the Cook County Reporters Office, 118 North Clark Street, were reviewed by Investigative Clerk [redacted] with regard to the residence at 5206 Oakton, Skokie.

Legal description of this property is the East 60½ feet of lot 28 of the corner sub-division of lot 25 and South 30 feet of lot 18 of the West ½ section 21-41-13.

The following information was obtained as a result of this title search:

Document	Grantor	Grantee	Instrument	Date	Filed
5857601	MARY SWINT and husband	RICHARD J. KRUSE and wife	WD	4/1/16	5/1/16
5908909	RICHARD J. KRUSE and wife	HERMAN WAGNER	TD	7/6/16	7/13/16
7789274	HERMAN WAGNER	RICHARD J. KRUSE	REL	1/15/23	1/26/[illegible] b6 b7C
240903	J. H. MC INYTRE Lumber Co.	R.J. KRUSE	Lein	--	2/5/40
Legal West 60 feet of Lot 28					
17087776	[redacted]	[redacted] ANNA	ED	12/7/57	12/12/57
14488282	[redacted]	ANNA KRUSE ET AL	WD	1/28/49	2/1/49
Legal -- UND 1/10 lot 29 (expect West 40.5 feet)					
13660593	[redacted] & wife	[redacted] ET AL	Deed	7/17/45	11/16/45

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Document	Grantor	Grantee	Instrument	Date	Filed
13660594	[redacted] & husband	[redacted] ET AL	Deed	7/17/45	11/16/45
13660595	[redacted] and wife	"	"	"	"
13660596	[redacted] and husband	"	"	"	"
13660597	ANNA --	"	"	"	"
13660598	[redacted] and wife	"	"	"	"
13660599*	[redacted] and wife	"	"	"	"
13660600	[redacted] and husband	"	"	"	"
13660601	[redacted]	"	"	"	"

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* conveyed undivided 2/10 of above

Residence at
1902 Notre Dame Boulevard
Lake Worth, Florida

Information obtained by the Miami Division of the FBI concerning LESLIE KRUSE was obtained as a result of another official investigation conducted by the FBI. All such investigation was conducted by SA RICHARD B. KELLOGG unless otherwise noted:

A review of current directories for the West Palm Beach area indicated there is no Notre Dame Avenue in West Palm Beach, but there is a Notre Dame Boulevard in Lake Worth, Florida, which city is located directly south of West Palm Beach and also lies on Lake Worth. Observation in that area indicated the house described above to be identical with the residence at 1902 Notre Dame Boulevard, Lake Worth.

A review of city directories for Lake Worth indicated that the 1953-54 and the 1955 Directories listed [redacted] as living at that address; the 1957 and 1959 Directories listed JOHN H. MC DONALD, and the 1961 Directory listed LESLIE KRUSE.

On April 10, 1961, the records of the Abstract Department, Clerk of Court in and for Palm Beach County, West Palm Beach, Florida, were reviewed concerning transactions pertaining to Lots #1036 through #1044 in Block 20, College Park Addition #2, Lake Worth, Florida, and the following information was obtained:

Book #394, page 329, reflects a mortgage executed on August 17, 1959, the mortgagor being LESLIE E. [redacted] R. KRUSE, and the mortgagee being the First Federal Savings and Loan Association of Lake Worth, Florida. The amount of the mortgage was $20,000.00 and the property mortgage was Lots #1036, #1037, #1038 and #1039, above. This document was signed by the mortgagors in the presence of RICHARD BERNAS and VIOLA E. KRUSE, and these signatures were notarized in Cook County, Illinois on August 17, 1959, by [redacted] b6 b7C

Book #394, page 328, is a record of satisfaction of a $20,000.00 mortgage held by the First Federal Savings and Loan Association, Lake Worth, Florida, executed by [redacted] on Lots #1036 through #1039, above. This satisfaction was executed on August 10, 1959.

Mortgage Book #516, page 583, reflects the above mortgage, which was executed by [redacted] on June 14, 1951, and signed by her in the presence of [redacted] and notarized in Cook County, Illinois, that same date by [redacted]

Book #377, page 8, reflects a warranty deed executed June 15, 1959, by which Lots #1036 through #1039, above, were deeded by JOHN K. and HAZEL M. MC DONALD to LESLIE E. [redacted] R. KRUSE. The MC DONALDs signed this deed in the presence of [redacted], and the signing was notarized in Cook County, Illinois, by a signature which appears to be [redacted] $50.00 in State of Florida documentary tax stamps were affixed to this document. It is noted that subsequent to July1, 1957, these stamps were affixed at the rate of $2.00 per $1000.00 valuation.

Book #377, page 9, is a warranty deed between the same parties mentioned above, which deed was witnessed and notarized by the same parties on the same date. This deed covered Lots #1040 through #1044, above, and $20.00 in State of Florida documentary tax stamps were affixed thereto.

Mortgage Book #709, page 267, reflects an agreement, dated May 25, 1956, releasing [redacted] from liability on a mortgage held by the First Federal Savings and Loan Association, Lake Worth, Florida on Lots #1036 through #1039, above. This agreement stipulated that JOHN K. and HAZEL M. MC DONALD, who purchased the above property, would assume the liability and make payments on the note secured by the mortgage. The signature of [redacted] on this document was witnessed by [redacted]. It is not clear where this signature was made, but the signatures of JOHN K. and HAZEL MC DONALD were witnessed by [redacted] and [redacted] and notarized in Cook County, Illinois, by [redacted] b6 b7C

Book #1135, page 176, reflects a warranty deed, made April 12, 1956, deeding Lots #1036 through #1039 from [redacted], Pulaski County, Arkansas, to JOHN K. MC DONALD, Cook County, Illinois, subject to a mortgage held by the First Federal Savings and Loan Association, Lake Worth, Florida. [redacted] signature on this document was witnessed by [redacted], and notarized in Cook County, Illinois, by [redacted], that same date. There were $25.00 in State of Florida documentary tax stamps affixed to this document. It is noted that prior to July 1, 1957, these stamps were affixed at the rate of $1.00 per $1000.00 valuation.

Deed Book #1135, page 179, reflects a warranty deed on the same date as that set forth above, between the same parties, and pertaining to Lots #1040 through #1044. This document bore Florida documentary tax stamps in the amount of $5.00.

Book #941, page 125, reflects a quit claim deed, executed on April 10, 1951, from the Lex Securities Corporation, to [redacted] Palm Beach County, Florida, concerning

Lots #1040, #1041 and #1042. This deed was signed by [redacted]t, Lex Securities Corporation, West Palm Beach, Florida.

Book #937, page 324, reflects a quit claim deed, executed on March 13, 1951, from the Surviving Trustees of the Midcity Development Corporation, Palm Beach County, Florida, to [redacted] Lake Worth, Florida, concerning Lot #1036 through #1039, above. This document was signed and notarized in Palm Beach County, Florida.

Book #930, page 70, reflects a warranty deed, dated January 9, 1951, conveying Lots #1040 through #1044 from [redacted] of Palm Beach County, Florida, to [redacted], Lake Worth, Florida. This document was signed in Lake Worth, Florida, and notarized there and $9.00 in Florida documentary tax stamps were affixed thereto.

Book #909, page 112, reflects a warranty deed, executed on April 6, 1950, by which [redacted] conveyed Lots #1040 through #1042 t[redacted] This document was signed and notarized in Lake Worth, Florida, and $2.50 in State of Florida documentary tax stamps were affixed thereto.

Book #909, page 114, reflects a warranty deed, dated May 11, 1950, conveying Lots #1043 and #1044, from [redacted] in consideration of $2,000.00. This document was signed and notarized in Palm Beach County, Florida.

Book #904, page 25, reflects a warranty deed, executed on March 30, 1950, transferring from [redacted] Palm Beach County, Florida, to IRENE [redacted] Little Rock, Arkansas, title to Lots #1036 through #1039, above. This document was signed by the [redacted] in the presence of [redacted] and notarized by [redacted] in Baldwin County, Alabama. $5.00 in State of Florida documentary tax stamps were affixed to this document.

On April 10, 1961, the records of the [redacted] Avenue, Lake Worth, contained the following information: b6 b7C b7D

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The above information was made available confidentially and should not be made public except following issuance of proper subpoena which subpoena should name

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[redacted] Lake Worth, Florida, or his authorized representative.

On April 11, 1961, the records of the Office of the Tax Collector, Palm Beach County, West Plam Beach, Florida, were reviewed concerning the assessment and payment of taxes on Lots #1036 through #1044, in Block 20 of College Park Addition #2, Lake Worth, Florida, and the following information obtained:

In 1950, the taxes on this property were assessed to [redacted] Street, Little Rock, Arkansas. In 1951, they were assessed to [redacted] at [redacted] Boulevard, Lake Worth, Florida, and in 1952, they were assessed to [redacted] at the Little Rock, Arkansas address. In 1953, 1954 and 1955, they were assessed to [redacted] at the Lake Worth, Florida address.

In 1956, the taxes on this property were assessed to JOHN R. MC DONALD, 1 North La Salle Street, Chicago, Illinois. In 1957, they were assessed to MC DONALD, whose address was shown as c/o [redacted] Street, Chicago, Illinois. Again in 1958, they were assessed to MC DONALD in care of [redacted] at the above address.

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In 1959, taxes on this property were assessed to LESLIE E. and [redacted] KRUSE, 1902 Notre Dame Boulevard, Lake Worth, Florida. In 1960, these taxes were assessed to KRUSE at 5206 Oakton Street, Skokie, Illinois.

A review of the receipts for payments of the above described assessment for taxes indicated nothing, which would indicate that the taxes were paid by anyone other than the person to whom they were assessed.

On April 11, 1961, [redacted] Tax Collector, Lake Worth, Florida, furnished the following information concerning Lots #1036 through #1044, Block 20, College Park Addition #2, Lake Worth, Florida:

This property was first assessed as improved property in 1951, at which time the assessed value of the property was $15,260.00 which represented, in the opinion

of the Assessor, 40% of the actual value of the house. In 1956, the assessment was raised to $31,920.00 which, at that time, represented 80% of the value of the house, in the opinion of the Assessor. Sometime during 1956 or early 1957, improvements were made to the residence located on that property and the valuation of the property was raised to $35,300.00, again being an 80% figure and that valuation has stood to this date. He stated this represents only the value of the residence, which is located on Lots #1036 through #1039, and the land located on those four lots is assessed at $6,780, which again is 80% of the value of the land, in the opinion of the Assessor.

[redacted] stated that from June, 1950, to April, 1956, the taxes on this property were assessed to [redacted], whose addresses were shown as 1902 Notre Dame Boulevard, Lake Worth, Florida, and [redacted] Street, Little Rock, Arkansas. In April, 1956, these records indicate title in that property passed to JOHN K. MC DONALD, whose address was shown as c/o [redacted] Street, Chicago, Illinois. According to these records, in July, 1959, title in this property was conveyed to LESLIE E. KRUSE, 1902 Notre Dame Boulevard, Lake Worth, Florida. No additional address was shown for KRUSE.

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[redacted] stated that a review of his records failed to indicate that the taxes assessed on this property were paid by anyone other than the person in whose name the title to the property was shown on his lists.

On April 11, 1961, [redacted], Clerk, Lake Worth Utilities District, Lake Worth, Florida, advised that the meter cards for electricity and water conerning the residence located at 1902 Notre Dame Boulevard, Lake Worth, Florida, indicate that from 1951 to June 12, 1956, the bills were mailed to [redacted] at that address. On June 12, 1956, the billing was changed to JOHN K. MC DONALD at that address, and on August 27, 1959, it was changed to LESLIE E. KRUSE, again 1902 Notre Dame Boulevard, Lake Worth, Florida.

On April 11, 1961, the files of the office of the Building Inspector, Lake Worth, Florida, pertaining to lots number 1036 through 1044, block number 20, College Park addition number 2, Lake Worth, Florida, were reviewed and the following information obtained:

Blueprints for the house originally erected at that location indicated they were blueprints for the home for [redacted] and the blueprints were prepared by [redacted] architect, 2701 Biscayne Boulevard, Miami, Florida.

An application for a building permit to consturct this house was made on May 2, 1950, by [redacted], contractor, to build this house on lots number 1036 through 1039. The application was for a permit to build a residence home and a garage and the owner of the premises was shown as [redacted], Chicago, Illinois.The application indicated the job was to include a two-car garage and three hundred feet of cylinder block fence, three feet high on the North side of the property. At another point on this application the contractor was shown as [redacted].

Building permit number 1226, was issued on the basis of this application, and indicated the value of the improvement to be thirty thousand dollars. Electrical permits number 511, and 611, accompanying the above permit indicated the Lee Construction Company as owners, and the Lee Construction Company and Acme Electrical Company, Lake Worth, Florida, as electricians. Plumbing permits number 1957 and 2019 were also issued in connection with this job. Permit number 2019 shows the owner of the property to be [redacted] and the plumber [redacted] West Palm Beach, Florida. Permit number 1957 shows the owner of the property as R. BURNS and the plumber to be [redacted] Lantana, Florida.

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On November 13, 1950, permit number 1637, was issued for the erection of a television antenna at the above residence. The owner of the residence was listed as [redacted] and the contractor was Loy Radio. The application for the permit was signed by [redacted] for Loy Radio, and the value of the job was $200.00.

On February 3, 1961, permit number 1817, was issued for construction of the residence of [redacted] of 245 feet of 5 foot chain length fence on the North and West lines of lots 1039 through 1043. The value of this job was placed at $600.00 and the contractor was the Wilson Fence Company, [redacted] 3232 South Dixie Highway, West Palm Beach, Florida.

On September 22, 1951, permit number 2248, was issued for the construction at the [redacted] residence of 110 feet of seawall plus a 6 foot by 23 foot extension on the North side of the garage at that residence. This job was valued at $3,000.00 and the contractor was [redacted]

On October 15, 1951, permit number 2290, was issued for the addition to the [redacted] property of 128 feet of 5 foot chain length fence on the East side of the property. The value of this improvement was listed at $322.00 and the contractor again was the Wilson Fence Company.

On June 5, 1956, permit number 4998, was issued for improvements to the property of [redacted] consisting of the addition of a Florida room and a carport. The job was valued at $4,300.00 and the contractor again was [redacted]

On January 21, 1957, permit number 5450, was issued for improvements for this property. The application for this permit listed the owner of the property as DICK B. BURNS, and his address was shown as 1902 Notre Dame Boulevard, Lake Worth, Florida. The architect's improvement was shown as [redacted] Lake Worth, Florida, and the contractor was shown as [redacted] Lake Worth, Florida. The improvement made was a swimming pool, 45 feet by 20 feet, valued at $5,500.00. Concerning this construction there was a letter in the file dated January 28, 1957, at 1902 Notre Dame Boulevard, Lake Worth, Florida which letter was signed by DICK BURNS. In this letter BURNS indicated "I am building a swimming pool at 1902 Notre Dame Drive", and the letter requested permission to violate the building code concerning the use of scum gutters.

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By letter dated March 12, 1957, BURNS was granted his request.

On April 13, 1961, [redacted] Drive, Lake Worth, Florida, advised SA RICHARD B. KELLOGG that her husband, [redacted], has not been in the United States for some time and is presently located in care of Raymond International, Roberts Field, Munrovia, Liberia, where he is doing construction work. She said he expects to be there for about one more year and then it is not certain he will return to the United States.

[redacted] said she recalled her husband was, in the early 1950's, associated with a Mr. BERNAS or BURNS in the building of a house in Lake Worth and she seemed to recall that BURNS was from Chicago, Illinois but she could furnish no additional information concerning BURNS or the house. She said she knew very little about her husband's business and had no idea who paid the bills for the building of that house, who paid her husband, how much he was paid or how he was paid. She could identify no one else who was associated with the building of that house.

On that same date, [redacted] Street, Lake Worth, advised he was never associated with [redacted] in the building business, but recalled that in the very early 1950's [redacted] indicated to him he had an opportunity to work on the building of a house in Lake Worth for some parties from Chicago. [redacted] was at that time attempting to get a builder's license in Lake Worth, but had not as yet obtained it so [redacted] did him a favor by allowing him to use his license to get a building permit for the job. [redacted] said he knew nothing more about the job or even its exact location except to recall that [redacted] was in some way working for some man from Chicago.

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On April 13, 1961, [redacted] Knapp TV and Hi Fi, 6407 South Dixie Highway, West Palm Beach, Florida, advised he recalled that in the early 1950's, he installed a television antenna at the residence located on the East side of Notre Dame Boulevard, at the South end of the Boulevard, and recalled it because it was among the first such antennas installed in this area. He recalled there was a woman residing there who made the arrangements for the installation and paid him for the job and he did not recall if he was paid in cash or by check. He did not recall this woman's name, but seemed to recall she was from Chicago, Illinois, and recalled there was a small child at the house, but he associated no one else with that house or that job. He said he went there a year or so later to repair a television set and the same woman was there and he recalled no one else being there at that time. [redacted] said he is not acquainted with DICK BURNS.

On April 13, 1961, [redacted] Edwin Wilson and Company, 2831 Forest Hill Boulevard, West Palm Beach, Florida, advised he recalled installing chain link fence at the [redacted] residence at 1902 Notre Dame Boulevard, Lake Worth, Florida, on two occasions, he said the first job

he sold himself to [redacted] who was residing there and added he knew nothing about her except that she was a young woman with a small child who wanted the fence to form a play yard for the child. He said his records regarding that job indicate [redacted]'s full name to be [redacted] that the job was completed in March, 1951, and [redacted] paid $620.80 in cash on the completion of the job March 26, 1951.

[redacted] said his records then reflect that on October 12, 1951, he got a telephone call from one DICK BURNS requesting him to meet BURNS at the [redacted] residence about another job. He recalled he met BURNS there and as best he can recall BURNS was the contractor on a sea wall that was being constructed there at the time and indicated [redacted] desired additional fence along the sea wall. [redacted] said his receipt for that job indicates he was paid in cash by BURNS, $329.00, on completion of the job on October 20, 1951. He said BURNS address on that receipt is shown as 2125 North Dixie Highway, Lake Worth, Florida, which [redacted] recalled to be the Pink Lodge.

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[redacted] said regarding BURNS; in August, 1951, according to his records, one D. BURNS, arranged for a job to be done at 146 Seminole Avenue, Palm Beach, Florida, which job came to $141.37 which was paid in cash. The record did not indicate who made the payment. He said he had no specific recollection of that job and recalled no other jobs for BURNS.

On April 12, 1961, [redacted] Drive, advised he lives about one-half block from the residence at 1902 Notre Dame Boulevard, Lake Worth, and was building a house in that area when the house at 1902 Notre Dame was built. He said he recalled the contractor on the job was DICK BURNS, Skokie, Illinois, who was assisted by a local contractor, [redacted] and a man who came to Florida from Chicago with BURNS, whose name he could not recall. [redacted] said he met BURNS at that time and later made some improvements on the 1902 Notre Dame property at the request of BURNS. He said he added a seawall and did some work on a garage extension shortly after his house was completed and several years later, he added a Florida room and a carport and, although, he did not recall exactly how much he got for these jobs, he did recall he was paid in cash by BURNS. He also recalled that around

1956, he did some work at the home of LESLIE KRUSE, Chicago, Illinois, which home was located on Seminole Drive, Palm Beach, Florida, and this work he said he also did at the request of BURNS and was paid by BURNS in cash for the job. He said he did not consider it peculiar that BURNS paid for these jobs as he and KRUSE were close friends and BURNS seemed to be looking after KRUSE's property, as well as the Notre Dame Boulevard property.

[redacted] recalled that a [redacted] and her young daughter lived at 1902 Notre Dame Boulevard for several years after it was built, but only in the winter months and then not permanently even in the winter. He said following that, there was a MC DONALD there once, but only for a few weeks insofar as he knew and since that time the house has been occupied very seldom, if at all, to his knowledge, although BURNS used to be around occasionally in the winter and there is an occasional strange car there for a few days at a time in the winter. He said for the past several years, there has been a full-time caretaker there, an old Italian, whose first name is JIM and whose last name he did not recall, but prior to that, the house was closed up every summer and reopened in the winter. He handled the opening and closing and was paid in cash by BURNS.

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[redacted] said he could furnish no information concerning [redacted] MC DONALD or JIM and knew of no one else he connected with that house.

He said he knew KRUSE rather well, having met him through BURNS and having golfed with him on occasion or spent time with him socially. He said KRUSE used to be a winter resident at Palm Beach, Florida, but sold his house there and has not been to Florida, to his knowledge, for a year or two. He believed KRUSE wintered at Palm Beach for four or five years and knew he owned several lots across the street from 1902 Notre Dame Boulevard in Lake Worth, but he did not know KRUSE had naything to do with the ownership of 1902 Notre Dame. He said KRUSE has told him he is in the plumbing business in Chicago; the Nu-Way Plumbing Company and also that he is interested in a liquid carbonics company or something similar to that, which has to do with cleaning beer cooling and tapping devices.

[redacted] said he was also rather close to BURNS when BURNS was in Florida and BURNS says he is a building contactor in Chicago. He did not know when BURNS was looking after the KRUSE residence and the 1902 Notre Dame residence unless it was out of friendship and he knew of no other places in Florida in which BURNS took such an interest. He said he had not seen BURNS for two years or more and last saw him in Chicago when he, [redacted] was there for a builders' convention and he had dinner with BURNS. He said to his knowledge, BURNS always stayed at the Notre Dame address when in the Palm Beach area.

[redacted] said he is casually acquainted with one [redacted], who is from Chicago and has a winter residence on Notre Dame Boulevard, Lake Worth, but he does not associate [redacted] with BURNS, KRUSE or the ownership or occupancy of 1902 Notre Dame Boulevard. He said to his knowledge [redacted] is not even acquainted with these people.

On April 12, 1961 [redacted] Architect, City Center Building, advised he is acquainted with [redacted], Contractor, Lake Worth, and, through him, met DICK BURNS, Chicago, Illinois, who occasionally spends a week or two in the Lake Worth area during the winter and who lives at 1902 Notre Dame Boulevard, Lake Worth, when in that area. [redacted] said he does not know if BURNS owns that property but he acts like he does as he had [redacted] make the plans for a swimming pool which was constructed there in 1956 or 1957. [redacted] said he was paid $100.00 by BURNS in cash for this job and that is the only work he ever did for BURNS.

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[redacted] said he had not seen BURNS for about two years and last saw him in Chicago when he and [redacted] were there for a builders' convention and had dinner with BURNS and a friend of BURNS, LESLIE KRUSE. He said that is the only time he ever saw KRUSE, but he understood KRUSE used to have a winter home in Palm Beach, Florida. He recalled that on that occasion they met BURNS and KRUSE at a restaurant in Cicero, Illinois, where BURNS was treated royally and apparently had some influence. He said he believed the restaurant was the MGM Club or something like that. [redacted] said BURNS claimed to be a building contractor from Chicago and apparently knew something about building and contracting. He said at the above dinner, KRUSE indicated he was in some sort of business having to

do with the cooling of bar glasses and the cleaning of beer dispensing equipment, but he knew nothing more about KRUSE or BURNS.

[redacted] said he is very well acquainted with [redacted] who has a permanent residence in Chicago and a winter home on Notre Dame Boulevard in Lake Worth. He said he original building of the [redacted] in Palm Beach and has worked with him since in the expansion and redecoration of his hotel investments.

[redacted] said he felt rather certain [redacted] is not associated with KRUSE or KRUSE's associates as he recalled that while dining with KRUSE in Chicago, he mentioned knowing [redacted] and KRUSE seemed elated at meeting someone who was friendly with [redacted] He said KRUSE indicated he felt that if he could get together with [redacted] in his business having to do with cooling bar glasses, it could be greatly enhanced and indicated he was notclose to [redacted], although he would like to be. [redacted] added that although he did not know whether or not KRUSE and/or BURNS or other of their friends are engaged in anything illegitimate, he felt certain [redacted] is not. He explained that [redacted] owns a very luerative liquor distributing business in Cook County, Illinois, which, he supposed is suspicious at first glance due to the history of such enterprises in that County, but his dealings with [redacted] have indicated he is anything but illegitimate and is apparently a very fine person with high moral standards. [redacted] recalled that on one occasion he was in [redacted]'s company when [redacted] met an old friend from Chicago whose name [redacted] could not recall. It was said at the time that [redacted] and that man were the first men to "break the rackets" in the liquor distributing business in Chicago and they joked about some of the problems they had and [redacted] had no reason to doubt what they were saying.

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[redacted] said he had no reason to connect BURNS or KRUSE with the ownership of the [redacted] in Palm Beach and felt certain they were not involved in that venture with [redacted] He said [redacted] originally built that hotel in connection with a local realtor named [redacted] who is now dead. Around 1956, he sold the hotel, but two or three years later took it back on default and has owned it ever since [redacted] did not know to whom [redacted] sold the

hotel in 1956 and did not know if BURNS or KRUSE were involved. He said [redacted] also now owns the [redacted] and has a long lease on the [redacted], both of which are in the immediate vicinity of the [redacted].

On April 12, 1961, [redacted] Road, Lake Worth, advised he is a building contractor and recalled constructing a swimming pool at the residence at 1902 Notre Dame Boulevard in Lake Worth in 1956 or early 1957. He said he did quite a bit of work in that neighborhood and there was a DICK BURNS who lived in that house on occasion, not often., who would stop by the job he was on and look and talk. He said BURNS indicated he was in the construction business in Chicago, Illinois and he supposed that was the reason for his interest. He said he knew nothing else about BURNS, did not know whey he was living in that house or what his connection with it was, but he seemed to manage the property or have some interest in it.

[redacted] said it was BURNS who arranged for him to build the swimming pool there and who paid him for the job and, so far as he knew, no one else was involved in or interested in the job. He said BURNS paid him by check for $4,500.00 on a Chicago bank, but he could not further describe the check except to say he would have deposited it in his account at the First National Bank of Lake Worth. [redacted] said this is the only work he ever did for BURNS or at that house.

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He said from his observation of that house, it is only lived in part time during the winter season and then not often. He said it was apparently occupied more in previous years and less recently and although BURNS is the only one he knows who resides there, he believed BURNS is there as much or more than anyone else. He said for the last year or two, there has been an Italian by the name of JIM (Last Name Unknown) who has been around there most of the time, but only as a caretaker and he knew nothing about JIM except that he is originally from Chicago.

On April 14, 1961, [redacted] Road, Lake Worth, Florida, advised that regarding the swimming pool he built at 1902 Notre Dame Boulevard, Lake Worth, Florida, for DICK BURNS, he was not sure if BURNS paid him all

at once or in several payments and his records do not indicate exactly how or when he was paid. He said he now recalls he was paid in several payments, some for material and some at the end of the job, and believed one or more of these payments was by check. He said he still seems to recall the check was on a Chicago bank, but he had no idea when he might have deposited it except that it would be in the first few months of 1957. [redacted] said if he did get a check he felt certain it was signed by BURNS, as he dealt only with BURNS and would surely have recalled had someone else paid for the job. [redacted] could be no more specific concerning the matter in which he was paid for this job. b6 b7C

On April 26, 1961, the records of the [redacted]

[redacted] b6 b7C b7D

Above information was made available on a strictly confidential basis and should not be made public except in the usual proceedings following issurance of proper subpoena which subpoena should name [redacted] West Palm Beach, Florida.

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On April 7, 1961 CG T-2 advised SA RICHARD B. KELLOGG he has [redacted] in and around Notre Dame Boulevard, Lake Worth, off and on for about [redacted] years. He said Mr. and Mrs. LESLIE KRUSE presently reside there and prior to that there was an [redacted] and a MC DONALD, but he was not certain of the sequence of their being there. He said there is often apparently no one there but mail is always left there and picked up by someone every few days. He said there is a JAMES FIORE who looks after the maintenance and running of the place and has done so for several years, exactly how many he is not certain. CG T-2 said there has been a RICHARD BURNS associated with that house for a number of years and is there occasionally, although he had not seen him for about 6 or 7 months. He said BURNS gets some mail there and mail for him is accepted there but about all he gets now is a weekly Catholic newspaper. He said he associates BURNS with everyone who has lived there since he has known about the place, and always supposed he was sort of an overseer for an estate or something which included that residence, and he was there off and on to look after it.

CG T-2 described BURNS as being around 50 years of age, about 6', or a little over that, heavy set with receding and greying hair. CH T-2 said he seems to associate BURNS with [redacted] more than anyone else, but associates him with that house even to the present, although [redacted] no longer lives there.

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Observation on April 24, 1961, at 1902 Notre Dame Boulevard, Lake Worth, Florida, by SA RICHARD B. KELLOGG reflected that parked there was a 1953 Pontiac bearing 1961 Florida license [redacted] and a 1958 Ford Station Wagon bearing 1961 Florida license 6W-2927.

On previous occasions those two automobiles were observed there and spot checks of the area reflected no other automobiles at that residence.

On April 24, 1961, the files of the tag office, Palm Beach County Court House, West Beach, Florida, reflected that 1961 Florida license [redacted] is issued to [redacted] Street, [redacted], Florida, and 1961 Florida license 6W-2927 is issued to JAMES FIORE, 1902 Notre Dame Boulevard, Lake Worth, Florida.

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On April 27, 1961, JAMES B. FIORE, 1902 Notre Dame Boulevard, Lake Worth, Florida, advised he was born October 14, 1896, in Chicago, Illinois, and formerly resided at 911 Carpenter Street, Chicago. He said he used to be a clothing cutter in Chicago until his health went bad and he has not worked at all to speak of for a number of years, due mostly to bad health consisting of sinus trouble, arthritis in the left leg and a bad back. It was observed that FIORE is about 5'11" tall, weighs about 170 pounds, has grey, wavy hair, fair complexion and a broad nose, had very little tan and his finger nails appear to be manicured.

FIORE said he has known RICHARD BURNS in Chicago for 15 or more years, but could not recall how he met him or how often he saw him. He said he had never worked for or with BURNS but they were just friends and he believes BURNS in in some sort of building or construction business, but he could not be more specific on that point. FIORE said about three years ago, BURNS arranged for him to come to Florida and live at the above address, since FIORE needed a place to live, the Florida weather would be good for his health, and the owner of the house wanted someone there to sort of be around in case someone was needed and sort of look after the place. He said he got no pay for this and actually did not do any work around the house himself, except pick an occasional weed, but just lived there so there would be someone there.

FIORE said when he first came there, the house was owned by a JOHN MC DONALD, who was, he believed, in the insurance business in Chicago and who is now deceased. He said MC DONALD used to visit in Lake Worth quite often. He said MC DONALD's family used to accompany him to Lake Worth, but he never met any of them and added he did not know if MC DONALD had visitors there other than his family.

He said when MC DONALD died the house was purchased by LESLIE KRUSE, who is in the plumbing business in Chicago, and BURNS made whatever arrangements with KRUSE that he had made with MC DONALD for FIORE to stay there and he stayed there on the same conditions as he had previously. He said KRUSE and his family visit there quite often and are sometimes accompanied by friends, but he could identify none of the friends. He said BURNS' association with the house is as a sort of overseer or maintenance man, but he could not be more specific about that.

FIORE said he is not acquainted with [redacted] or SAMUEL GIANCANA and associates no one with that residence other than BURNS, KRUSE and MC DONALD. He said KRUSE had been there for about two weeks just prior to that and had left to return to Chicago on the previous Saturday.

Observation by SA KELLOGG in the area of 1902 Notre Dame Boulevard, Lake Worth, Florida, on December 5, 7, and 8, 1961, failed to reflect any activity and failed to reflect the presence there of either JAMES FIORE, the "caretaker" or the 1958 Ford Station Wagon, which is registered to FIORE and utilized by him. On December 8, 1961, Chief of Police HENRY HALL, Lake Worth, Florida, Police Department, advised he had not seen FIORE around the KRUSE residence for several days which he considered unusual. On December 10, 1961, the above Ford Station Wagon was noted in its usual parking spot near 1902 Notre Dame Boulevard, Lake Worth, but no persons were observed in that area.

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On December 11, 1961, SA [redacted] made a pretext call to JU 2-1833, which number is listed to L. E. KRUSE, 1902 Notre Dame Boulevard, Lake Worth, and which number is listed on the "for sale" sign on property across the street from that address, which sign indicates the property is for sale by owner. SA [redacted] identified himself as [redacted] from Arizona, who was interested in buying the property. The person with whom SA [redacted] talked identified himself as Mr. KRUSE and said he was asking $125.00 a front foot for the property, which property is 107 by 135 feet.

During conversation about when [redacted] could get together with Mr. KRUSE about the matter, KRUSE said he had a "date" on Thursday, December 14, 1961, and would be out of town for a "few days". He was not more specific about his plans.

On December 20, 1961, SA KELLOGG observed the subject at the captioned address dressed in casual or working clothes.

Also observed at that residence at that time was a black Mercury automobile of about 1959 vintage, bearing current Illinois License JN 2294. No other persons or automobiles were observed at that time.

Chicago ascertained that the above license number was registered to LESLIE KRUSE, 5208 Oakton Street, Skokie, Illinois, on a Pontiac, bearing vehicle number 861P9848.

It is noted the above license number was also discussed under the caption concerning KRUSE's automobiles.

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On January 15, 1962, [redacted] Drive, Lake Worth, Florida who lives near the KRUSE residence there, advised he has seen subject in Lake Worth about three times in recent weeks; the first around mid-December, 1961, the last time on January 12, 1962, the third time right around Christmas; either a little before or a little after. He said the first time he saw him was at the Lake Worth Pier with his children, the second time at KRUSE's residence, and the third time at [redacted]'s residence.

On the occasion of his visit to the KRUSE residence, [redacted] was there for only a few minutes and saw briefly but was not introduced to two or three middle-aged couples who were there. He did not know their names and did not see them enough to give a description of them and did not believe he would recognize them if he saw them or their photos. He said he did not recognize them as being from the Lake Worth area or as anyone he had ever seen before.

On the occasion of subject's visit to the [redacted] residence, he was accompanied by DICK BURNS, who was previously known to [redacted] and although the conversation

was only general in nature, [redacted] got the impression that BURNS had only recently arrived in Florida.

[redacted] said KRUSE said nothing about his plans or activities so he did not know when KRUSE intended to leave Lake Worth or if he intends to just stay there with his family. He said if KRUSE plans on living in Lake Worth, he is not, to [redacted]'s knowledge, gainfully employed in any way or engaged in any sort of business activity in that area. He could identify no visitors or associates of subject's in Florida.

It is noted that spot checks of the KRUSE residence in Lake Worth by SA KELLOGG several times a week from January 4 to 15, 1962, at varying hours, have reflected no pertinent activity there; the presence of no additional autos, or the presence of persons other than residents there. Subject has not been observed there since December 20, 1961.

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Observation several times a week at the above residence at various times of the day by SA KELLOGG between February 2, 1962 and February 21, 1962 have reflected the presence of no automobiles other than the 1962 Pontiac and the 1958 Ford Station Wagon which have previously been described. It is noted that for one period during mid-February, [redacted] who ordinarily drives the new Pontiac was observed driving the Ford Station Wagon and the Pontiac was not observed in the area although it soon re-appeared. KELLOGG was not observed in that area during that period of time nor were any strangers observed there.

At 11:50 p.m. on February 15, 1962, SA GEORGE STADTMILLER observed JOE FISCHETTI's Pontiac (1962 Florida 1W-76733), ROCCO FISCHETTI's Pontiac (1962 Ill. 593673) and a 1962 black Pontiac Sports Coupe bearing the label to Chicago, Illinois Pontiac dealer PETER EPSTEIN and 1962 Florida license 6W-35329, which is registered to subject, parked at Puccini's Restaurant, Miami Beach, Florida.

Observations in the area of 1902 Notre Dame Boulevard, Lake Worth, Florida several times a week, at varying times, during the day, between February 21, 1962 and March 5, 1962, have failed to indicate any unusual activity, strange cars or persons, other than residents at that address and subject was not observed at that address during this period.

Other Property Owned or Previously
Owned in Name of LESLIE KRUSE in
Palm Beach and Lake Worth, Florida

On April 18, 1961, the records of the Abstract Department, Clerk of Court in and for Palm Beach County, Florida, West Palm Beach, 19, College Park Addition, number 2, Lake Worth, Florida which blocks are, according to the Lake Worth Atlas, located in the same files, directly across the street from lot 1036 through 1040, block 20, College Park Addition, number 2, Lake Worth, Florida. The following information was obtained:

Book Number 947, page 147, reflects a deed dated June 7, 1951, conveying lot number 1034 and 1035, from [redacted] and [redacted] Palm Beach County, Florida, to LESLIE KRUSE, Palm Beach, County, Florida. The [redacted] signed this document in Palm Beach County, Florida, and $4.20 in Florida Documentary Tax Stamps were affixed there to (at a rate of $1.00 per thousand).

Book Number 953, page 243, reflects a deed dated July 28, 1951, conveying lot 1032 and 1933, from [redacted] and [redacted] Palm Beach County, Florida, to LESLIE KRUSE, handled in Palm Beach County, Florida, and $3.00 in Florida Documentary Tax Stamps (at a rate of $1.00 per thousand) were affixed to the document.

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The above records reflected no transactions pertaining to this property following the above mentioned transaction.

Concerning the West 40 feet of lot 9, all of lot 10, and the East 10 feet of lot 11, block 3, Ocean Park (H. W. Robbins Addition), Palm Beach County, Florida, the above records reflected the following information:

Book 929, page 116, reflects that property was deeded on January 2, 1951, from [redacted] Palm Beach County, Florida, to LESLIE E. and [redacted] KRUSE, 146 Seminole Avenue, Plam Beach, Florida. This transaction apparently took place in Palm Beach County, Florida, and $37.50 in Florida Documentary Tax Stamps (rate of $1.00 per thousand) were utilized.

Book 330, page 55, reflects property deeded March 18, 1959, from Mr. and Mrs. KRUSE to LIBBY WITKOWSKI, 27 North Central Avenue, Hartside, New York. The signature of the KRUSEs were witnessed by WILLIAM M. HENNESSY and RICHARD BERNAS and attested to by WILLIAM C. WALTERS, Notary, Cook County, Illinois. The amount of $78.60 in Florida Documentary Tax Stamps (at the rate of $2.00 per thousand) were affixed to this document.

Book 330, page 557, indicates on that same date WITKOWSKI gave back to KRUSE a mortgage deed on that property regarding a mortgage in the amount of $25,000.00. This document was signed by WITKOWSKI and her signature attested to in Westchester County, New York, by R. EDWARD HART, Notary.

Book 334, page 452, indicates on April 7, 1959, WITKOWSKI deed this property to JOSEPH and LEAH LIPMAN, 146 Seminole Avenue, Palm Beach, Florida. Florida Documentary Tax Stamps of $.20 (twenty cents) were affixed to this document indicating no money changed hands.

Book 556, page 704, indicates on October 4, 1960, the LIPMANs sold this property to THORNWALD SANCHEZ and his wife whose addresses were shown as Post Office Box 1072, Palm Beach, Florida. This sale was made subject to the mortgage held by KRUSE in the amount of $25,000.00. The amount of $85.00 in Florida Tax Stamps (at the rate of $2.00 per thousand) were affixed to this document.The LIPMANs signed the document in Fairfield County, Connecticut, and their signature was notarized by ROBERT A. HAIG.

These records reflected no additional transactions concerning the above property.

On April 10, 1961, CG T-3, advised he resides [redacted] from 1902 Notre Dame Boulevard, but knows very little of the occupants of that house. He said he recalled that a [redacted] built the house originally, and he recalled the deal was handled through [redacted], Lake Worth, a prominent real estate man in the area. He said he got the idea [redacted] was personally acquainted with [redacted], but he could not be certain on that point. CG T-3 said the matter was suspicious to him because [redacted] was a rather young, attractive blonde haired woman with a young child, and no visible means of support and it seemed odd to him that she

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would be building a house in the area where she built, which is a rather expensive area. He said he knew nothing more about her, and added he knows nothing about JOHN MC DONALD or LIESLIE KRUSE or about JAMES FIORE, RICHARD BURNS, SAMUEL GIANCANA or anyone else connected with the house. He said he goes by the house very seldom and usually it appears to be vacant insofar as he can see.

CG T-3 said he is well acquainted with [redacted] and has been involved with [redacted] in financial transactions for many years. He said he has knowledge of the finances when [redacted] a local real estate man now deceased, first built the [redacted] in Plam Beach, Florida and recalled [redacted] bought [redacted] out in that venture shortly after it was completed and later expanded on the motel to a large degree. He said since that time, [redacted] has purchased the [redacted] in Palm Beach (he believed from the [redacted] and owns or leases [redacted] there. (It is noted all these establishments are in the same area in Palm Beach). CG T-3 said [redacted] has other financial interests, and appears to be fabulously successful in his ventures, but he had no reason to believe that [redacted] is other than legitimate. He said [redacted] came to Florida from the Chicago area and, he believes, was then and still is associated with a liquor distributorship in Chicago. He said he has two Chicago telephone number for [redacted], CLiffside 4-3600 and PArk 4-5700, the last of which is a Glenview number. He said he believed [redacted]'s business in Chicago is [redacted] or something like that. CG T-3 said [redacted]'s attorney in Chicago is [redacted] and his tax consultant is [redacted], Chicago.

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CG T-3 said he had no reason to connect [redacted] with 1902 Notre Dame Boulevard, Lake Worth, Florida, or persons owning or residing in that residence.

On April 11, 1961, [redacted] Avenue, Palm Beach, Florida, advised he formerly owned 4 or 5 lots on the South end of Notre Dame Boulevard, Lake Worth, Florida, which he sold to some woman in the early 1950's but he could not recall the name of the woman and did not believe he had ever met her. He said so far as he is concerned, the entire matter was handled through [redacted] Attorney, Lake Worth, and he seemed to recall that he was paid in cash for the property by [redacted] said he is not acquainted with

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the names [redacted] JOHN K. MC DONALD or LESLIE KRUSE and has never heard of SAMUEL GIANCANA. He said the name RICHARD BURNS seems familiar to him but he was not sure in what regard. He stated for some reason he seems to recall that he met BURNS in [redacted]s office in Lake Worth in connection with some matter, but he could not say if it had to do with the above property or some other matter. b6 b7C

[redacted] said he is interested in real estate matters in Palm Beach County, and is acquainted to a degree with the building and ownership of the [redacted] on Palm Beach. He said the [redacted] was originally built by [redacted] and [redacted] and sometime thereafter [redacted] bought out [redacted], who was a local real estate man and is now deceased. He said later [redacted] purchased the [redacted] from its builders, who were from Cleveland, Ohio, and [redacted] also now has an interest of some sort in the [redacted] said [redacted] is from Chicago, Illinois, where he is in th[redacted] business, he believed the [redacted] distributorship. He said to the best of his knowledge, [redacted] originally came to the Plam Beach area as a winter resident and built a home on Notre Dame Boulevard in Lake Worth about 2 blocks north of the lots [redacted] formerly owned there. Like many other winter residents, [redacted] became interest in investments in property in this area and to [redacted]'s knowledge, [redacted]s investments have been on his own. He said he does not connect [redacted] with anyone who might have resided at 1902 Notre Dame Boulevard, Lake Worth, nor does he have any reason to think [redacted] is other than legitimate in his business dealings. b6 b7C

On April 13, 1961, the files of the Plam Beach County Credit Bureau, West Plam Beach Florida, were reviewed by SA RICHARD B. KELLOGG and were negative as concerns RICHARD BERNAS, RICHARD BURNS, DICK BURNS, [redacted] LESLIE E. KRUSE, JAMES FIORE, JOHN K. MC DONALD and SAMUEL GIANCANA.

CG T-4 advised on March 31, 1961 that as of June, 1958, SAM GIANCANA was the owner of a pretentious home located on Notre Dame Avenue in West Plam Beach, Florida. This home was described by the informant as a rambling ranch style, white stucco, located on the bay which separates West Palm Beach, Florida from Palm Beach, Florida. This [redacted] b7D

[redacted] b7D

[redacted] Servants' quarters [redacted] and are occupied on a year-round baiss by one JIMMY (LNU), [redacted] as a maintenance man.

During June and July, 1958, [redacted] were in the GIANCANA home in West Plam Beach and were accompanied [redacted] b6 b7C b7D This informant stated that the GIANCANA's residence in West Plam Beach was [redacted]

The records pertaining to deeds and mortgages relating to the property located at 1902 Notre Dame Boulevard, Lake Worth, Florida, as checked in April, 1961, reveal that these papers were signed by JOHN K. and HAZEL M. MC DONALD. All of these signatures were notarized in Cook County, Illinois, and witnessed by [redacted] LORRAINE GREALIS, and [redacted] and notarized by [redacted] in one instance and in another instance by a name appearing to be [redacted] b6 b7C

It is noted that pertinent records indicate property across the street from 1902 Notre Dame, which is undeveloped, was purchased in June and July, 1951, by LESLIE KRUSE, apparently for a total of $7,200. These records also indicate KRUSE purchased property and residence at 146 Seminole Avenue, Palm Beach, Florida, January, 1951, for $37,500. He sold same in March, 1959, to [redacted] New York for $39,000 and his signature at that time witnessed by RICHARD BERNAS and [redacted] and notarized by [redacted] Cook County, Illinois. [redacted] immediately transferred property to Mr. and Mrs. [redacted] no money changing hands, and they have since sold to another party and KRUSE still holds mortgage on residence which was originally $25,000.

CG T-4 advised on April 23, 1961, that GIANCANA in the opinion of the informant remains to be the actual owner of the property located at 1902 Notre Dame Boulevard in Lake Worth. Informant stated that one [redacted] this residence on instructions of GIANCANA within the past year. GIANCANA [redacted] b6 b7C b7D

RICHARD BERNAS, was interviewed at his residence 5208 West Oakton Street, Skokie, Illinois, on April 18, 1961, by SA CHARLES E. BRUNNER and RALPH R. HILL, JR. at which time he stated that he has been a resident at this address for many years and is a tenant at this property which is owned by LESTER KRUSE. He stated that Mr. KRUSE occupies the main residence located on the same property at 5206 West Oakton. Mr. BERNAS said that he resides at this address on a rent free basis in return for which he maintains the property and grounds for Mr. KRUSE which includes any construction work, remodeling, decorating, landscaping, etc. in connection with the property at 5206-08 West Oakton.

He stated that he is self-employed as a building contractor and does not maintain an office as such in connection with this business and works out of his residence. He does not employ a full time crew for construction but sub-contracts his labor when he received a building or construction contract.

Mr. BERNAS said he is 64 years of age, is a native born Chicagoan, and is of Swiss descent.

He advised that he considers himself a "jack of all trades" and is an accomplished artist, craftsman, carpenter and in addition to this said that he was at one time an accomplished wrestler.

He said that in 1949 he was contracted by one [redacted] then of Chicago, Illinois, for the construction of a stucco type one story ranch residence located in Lake Worth, Florida on Notre Dame Boulevard. He sub-contracted his labor in Florida for this work. The cost of the building was approximately $24,000 or $25,000. He was contacted by [redacted] for anunknown reason, that is, he could not say as to the circumstances regarding [redacted] having his name. b6 b7C

Mr. BERNAS said he assumed that the word had gone around that he was a reliable and reputable building contractor who would perform the construction at the minimum cost. He advised that he normally charged 10 per cent of the construction cost for his services. He could not recall the circumstances of payment by [redacted] and stated that he seemed to recall the fact that there was a mortgage in connection with this property but was unable to relate any details therewith.

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He described [redacted] as an individual in her mid 30's at that time, in extremely poor physical condition, stating that she was a "sick person". He could not recall any pertinent facts regarding her personal life or background.

In 1956 the property was sold to Mr. JOHN MC DONALD, River Forest, Illinois, now deceased, and at the time Mr. BERNAS was contracted by MC DONALD to construct a swimming pool on the Lake Worth property, which he did. He was unable to recall the cost of this pool nor could he recall the method of payment.

Sometime in 1959 the property was resold from the MC DONALD estate to LESTER KRUSE, who according to Mr. BERNAS is the present owner. In connection with this property BERNAS has been retained through the years as the individual who performs any redecorating, remodeling, or additional construction on the Lake Worth Property. He has been at this property on several occasions for the performance of those services.

LESTER KRUSE and his family utilize the Lake Worth property as a winter home and BERNAS said that he is not aware of any other individuals or families who share this residence on either a temporary or permanent basis.

He said that he is acquainted with SAM GIANCANA whom he states resides in Oak Park, Illinois. His acquaintanceship stems from the fact that he has known LESTER KRUSE and ROCCO FISCHETTI for many years and met GIANCANA through these persons. He is not aware of any facts pertaining to GIANCANA's personal history or background and cannot state any facts pertaining to GIANCANA's business or property holdings.

Mr. BERNAS stated unequivocally that he did not perform construction work at the Lake Worth property for GIANCANA and GIANCANA's name or presence was not heard or felt during any part of the construction, remodeling, sale or resale of this property. He has never seen GIANCANA at the residence and admitted that it is possible that GIANCANA may have at one time utilized his BERNAS' name, stating that "a lot of people have used my name".

Mr. BERNAS stated that the above represents all of the facts known to him regarding the property in Lake Worth, Florida.

On April 25, 1961, [redacted] North Little Rock, Arkansas, advised SAs [redacted] and HERMAN E. TICKEL, she formerly resided at [redacted] Street, Little Rock, Arkansas. She advised during the past several years she has resided off and on in Chicago, Illinois, and Lake Worth, Florida. She claimed she owned an apartment building on Clarendon Avenue, Chicago, exact street address not recalled. She also advised that her husband, [redacted] died approximately [redacted] years ago and stated her maiden name was [redacted]. She advised that while in Chicago she wrote articles for different magazines, name of magazines not recalled, under the name of [redacted] She stated most of these articles related to antique publications. She advised that while she was in Chicago she used the services of [redacted] (Ph.) as her attorney. She also admitted that she was acquainted with RICHARD BERNAS, a contractor in Chicago who built a home for her in Lake Worth, Florida. She claims that Mr. BERNAS also did contracting work in Lake Worth, Florida, and was in Lake Worth during 1949 or 1950 when she contracted for him to build a home for her. She indicated she was acquainted with RICHARD BERNAS' family in Chicago

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In regard to property in Lake Worth, Florida, [redacted] claimed that in 1949 or 1950 she purchased several lots the description of which she was unable to recall and contracted for a house to be built, which cost her approximately $20,000. She said she could not recall the purchase price of the lots. She also advised that the house and part of the lots were financed by the Lake Worth, Florida Federal Savings and Loan Association and she contracted to pay $200 a month on the loan. She indicated that she sold this house in 1956 to Mr. JOHN K. MC DONALD of Chicago,

Illinois for approximately $22,000. She stated she was not personally acquainted with MC DONALD or his wife and made the sale through her Chicago attorney, [redacted] She also indicated that she had never met or seen JOHN K. MC DONALD or his wife. She stated although MC DONALD's signature and his wife's signature were on the contracts for the sale of her property she did not seem them because the attorney reportedly sent the papers to them for signatures.

[redacted] exhibited to agents papers concerning the purchase and sale of property in Lake Worth, Florida. These papers indicated that [redacted] Street, Chicago 2, Illinois, was the attorney representing the sale of the property. [redacted] was questioned concerning [redacted] stating she did not know [redacted] and stated she only dealt personally with [redacted] as her attorney in the sale of this property. She exhibited a copy of a personal release agreement relating to mortgaged property dated June 13, 1956. This release agreement indicated in part that [redacted] on June 14, 1951, executed a promissory note in favor of the mortgages in the sum of $20,000 to be paid in monthly payments of $200 per month. This release agreement was recorded in the office of the clerk of the Circuit Court in and for Palm Beach County Florida in mortgage book number 516, page 583.

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This release agreement indicated property located in block number 20, College Park Addition, Lake Worth, Florida lots numbered 1036 to 1039 was purchased May 25, 1956 by JOHN K. MC DONALD and HAZEL M. MC DONALD. Witnesses to the sale of the property were listed as follows:

[redacted]

LORRAINE GREALIS

This release agreement was signed by [redacted] by [redacted] as mortgagees, JOHN K. MC DONALD, and HAZEL M. MC DONALD (purchasers).

[redacted] witnessed the agreement as the notary public at Chicago, Illinois, May 25, 1956. Her commission expired June 8, 1959.

[redacted] also exhibited a warranty agreement which contained the following information:

"[redacted] Street, Little Rock Arkansas, is owner in fee simple of the following described property to wit: Lots 1040, 1041, 1042, 1043 and 1044, Block 20, College Park Addition to Lake Worth, Florida.

"On record in Palm Beach County, Florida and recorded in book number 12, page 2.

"Subject to mortgage dated June 14, 1951 in favor of Lake Worth Federal Savings and Loan Association, Lake Worth, Florida. Account Number L-1824 in the principal amount of $20,000 payable as therein provided which said mortgage has been reduced to a balance of $12,293.19 as of March 3, 1946 and whereas said [redacted] warrants said title as aforesaid.

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"Now, therefore it is agreed this 12th day of April A.D. 1956, and between [redacted], seller, and JOHN K, MC DONALD, buyer as follows:

"One - [redacted] agrees to sell and J.K. MC DONALD agrees to buy said property for $22,706.91.

"Wittnessed and signed

"by [redacted], seller

"JOHN K. MC DONALD, buyer".

She was in possession of a receipt dated April 13, 1956 for the following:

Number 1, check drawn on the Oak Park National Bank, cashier's check number 237639 in the sum of $22,706.91 dated April 13, 1956.

Number two warranty agreement between [redacted] and JOHN K. MC DONALD dated April 12, 1956 coverning lots 1036 to 1044 both inclusive, block 20, College Park Addition, Lake Worth, Florida.

[redacted] claimed she does not know the present owner of the property she formerly owned in Lake Worth, Florida. She denied knowing LESTER KRUSE and claimed she did not know SAM GIANCANA, ROCCO FISCHETTI or [redacted] furnished the address of her attorney, [redacted] as [redacted] Street, Chicago 2, Illinois.

A 1958 Dodge automobile bearing Arkansas 1961 license [redacted] was observed in the carport at [redacted]'s residence, [redacted] Street, [redacted] North Little Rock, Arkansas.

On April 19, 1961, Mrs. HAZEL (JOHN) MC DONALD, 330 North Keystone Avenue, River Forest, Illinois, advised SA RALPH R. HILL, JR. that she is the widow of the late JOHN MC DONALD. Her maiden name is HAZEL GREALIS and she was previously married to a [redacted]. She married Mr. MC DONALD in 1949. b6 b7C

Mrs. MC DONALD said that to her knowledge her husband did not own property of any description in the State of Florida. She is not acquainted with the location of Lake Worth, Florida and said that she would know if JOHN MC DONALD had owned a residence in that area. On occasion JOHN MC DONALD took trips of an undisclosed nature away from Chicago alone; however, was gone only two or three days at a time and most of these trips were to Indiana. At no time did he mention to her of going to Florida nor did he ever mention ownership of property of any type in that State.

Upon his death the only property left to her in the estate was the residential property located at 330 North Keystone Avenue in River Forest, some property in Wisconsin and a ten thousand dollar life insurance policy.

She is not acquainted with the names of [redacted] LESTER KRUSE or [redacted]

She has not been approached by any persons since her husband's death relating to any Florida matters or Florida property. She is unable to give a complete background as to her husband's business activities or personal assets at the time of his death inasmuch as when the safety deposit boxes which he maintained as the Exchange and Cosmopolitan National Banks in Chicago were opened they were found to be completely empty.

Mrs. HAZEL MC DONALD, 330 Keystone, River Forest, Illinois, was contacted by SAs [redacted] and DENNIS W. SHANAHAN on April 27, 1961 for the purpose of determining any additional information she could furnish in connection with the business affairs and property holdings of her late husband, JOHN MC DONALD. Mrs. MC DONALD had previously been contacted by SA RALPH R. HILL.

Mrs. MC DONALD advised that her husband, JOHN MC DONALD was [redacted] with [redacted] in the Lakeside Amusement Company with offices located at 4854 Kennedy, East Chicago, Indiana, and 208 Wabash, Chicago, Illinois. This was an establishment that handled pinball machines, all of the machines being located in Indiana. Mrs. MC DONALD said she now believes that this company is known as the Twin City Amusement Company and is still [redacted].

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In addition to the above, Mrs. MC DONALD stated that [redacted] and her husband were [redacted] in property holdings at Lincoln and Devon Streets, 159th Street and Calumet, and in Lake Zurich, Illinois. She said that since the death of her husband, she now understands that there was a [redacted] in the above property holdings, [redacted] in two, and [redacted] in connection with the Lake Zurich property. She said that she was told that her husband had made investments in Oklahoma, Golden Point and Mc Donald Hamburger.

Mrs. MC DONALD was asked if [redacted] was known to her and she acknowledged that she knew him. She said that her acquaintance was social in nature. She said she was not aware of JOHN MC DONALD being connected in any way with the Empire Coin Company, believing this to be [redacted]

Mrs. MC DONALD's recollection was refreshed concerning an interview she had with SA RALPH R. HILL of the FBI and the fact that she had advised him that she did not know of the purchase of property at 1902 Notre Dame Boulevard, Lake Worth, Florida, and was unable to furnish any information regarding this property. It was pointed out that subsequent information developed reflects the signature of JOHN K. and HAZEL M. MC DONALD on official documents connected with this property. At this point, Mrs. MC DONALD interrupted and said she had recalled since speaking with SA HILL that she had been told by her husband in about 1956 that her signature on some papers was needed. She said she went to a lawyer's office on La Salle Street in Chicago and signed some papers he had there. She believed the attorney was [redacted] of Crawford and Healey, and recalled that there were two female employees there at the time. She said she did not know any of the details concerning what she was signing but believed it was related to some Florida property.

She was asked if she had ever visited that property at 1902 Notre Dame Boulevard, Lake Worth, Florida, and she said she had visited there often with her husband. At this point Mrs. MC DONALD advised that she has a sister residing in Miami, Florida and that the sister and JOHN MC DONALD did not get along. She said that she only visited the above residence in Lake Worth while with her husband and as soon as he left, she went to Miami and stayed with her sister. She added that JOHN MC DONALD was unhappy about this situation and shortly after the purchase of this property, told her that he had sold it. She suggested this was done so that she would not be in a position to have a reason for visiting in Florida and would not be able to see her sister in Miami. Mrs. MC DONALD further stated that while visiting in Lake Worth, she had on one occasion entered her son in a private school located in West Plam Beach.

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Mrs. MC DONALD was unable to recall how much property was involved in the transaction at Lake Worth, Florida, and stated that LESTER or LESLIE KRUSE was unknown to her except through newspaper publicity. She was asked if [redacted] LORRAINE GREALIS, [redacted] were known to her. She denied knowing any of the persons except LORRAINE GREALIS who she described as her deceased sister-in-law. She could

not remember anyone bearing the name RICHARD BERNAS or DICK BURNS. She said that she did not know SAMUEL GIANCANA and did not know of any business dealing her husband may have had with him. She said that she did not know of any persons described as "newspaper characters" with whom her husband associated.

Mrs. MC DONALD said that [redacted] were known to her and that she and her husband had visited socially with these persons prior to his death. She said that at the present time she holds a piece of property in South Miami, Florida, which was purchased by her husband in partnership with [redacted]. She further stated that [redacted] was recently in contact with her because payment on this property was behind and he had called her to take care of that matter. She said the names of [redacted]'s wife and herself had been included on the title after purchase of the property.

Mrs. MC DONALD said she married JOHN MC DONALD in 1949 and at that time he was a "bookie", owning his own "book" at Harrison and Kedzie. In 1950, during the KEFAUVER hearings, JOHN MC DONALD got out of the hand book operations and went into the Lakeside Amusement Company. She said that she did not know where JOHN MC DONALD was born but thought it was in New York or New Jersey, recalling that she knew he had been in Chicago for many years. While he was operating his hand books, he was generally located in the 29th Ward which belonged to AL HORAN (deceased). She said JOHN MC DONALD also operated a "book" in the Midwest Hotel when [redacted] (phonetic) was the owner. b6 b7C

Mrs. MC DONALD told that she had experienced difficulty after the death of her husband since she felt that persons connected with him in buiness during his lifetime were taking as much as possible after his death. She pointed this out by indicating the existence of an unknown partner in several of his enterprises, we well as the empty safety deposit boxes, and the existence of two checks personally seen by Mrs. MC DONALD which indicated that there should have been more money in the estate since these checks were made out to JOHN MC DONALD for amounts betwen $40,000.00 and $35,000.00. None of these checks have come into her possession. One check she obtained and gave to [redacted], an attorney recommended by AL HORAN to

handle her affairs. After giving the check to him, she never saw it again. She contacted the Exchange National Bank where MC DONALD had his account and there had been some difficulty with machines utilized in their operation and no record could be located concerning the check, although his account reflected a withdrawal of $40,000.00.

Mrs. MC DONALD volunteered that [redacted], [redacted] was her attorney and that he had books and records concerning her estate as well as some of that concerning her late husband. She said that she was agreeable to having agents of this office examine these records and would so instruct her attorney if requested to do so.

[redacted] Room [redacted], was interviewed on April 24, 1961, in the presence of his law partner, [redacted].

[redacted] was questioned regarding property holdings of JOHN K. MC DONALD, specifically MC DONALD's ownership of property at 1902 Notre Dame Boulevard, Lake Worth, Florida. [redacted] advised that MC DONALD did own this property having purchased same from [redacted] in either May or June of 1956. [redacted] stated he did not know to whom MC DONALD sold this property, if it was sold. He does not know who owns the property at this time and does not know if it is still in MC DONALD's estate. [redacted] was not the executor of MC DONALD's estate and does not know the identity of the attorney of record.

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[redacted] stated that he did not know [redacted], a widow and did not know the identity of the attorney representing her.

[redacted] was asked if he knew LESTER or LESLIE KRUSE and he acknowledged knowing of him since about 1946 or 1947. He was asked if KRUSE purchased this property and [redacted] stated that KRUSE had purchased a part of this property in 1956. He explained that there were two pieces of property involved in the transaction, one improved and the other unimproved, a vacant lot, adjacent to the improved property. KRUSE purchased the unimproved property at the same time MC DONALD obtained the improved property. [redacted] stated he had no further dealings concerning this transaction. [redacted] gave the amount the property was purchased for as $35,000.00 but stated this was purely a guess on his part. [redacted] suggested the exact purchase price would

be reflected from the revenue stamps on the warranty deed.

[redacted] advised that this was the only business he ever transacted for MC DONALD and knew nothing of his business holdings or dealings. He was asked who recommended MC DONALD to him and he said he had known MC DONALD for a number of years as a speaking acquaintance.

[redacted] stated that he knew of no other holdings in Florida that MC DONALD may have had. He said he did not know if Mrs. MC DONALD would have been aware of his ownership of property in Lake Worth, Florida, adding that according to the newspapers, it would appear that Mrs. MC DONALD knew nothing of her husband's affairs. According to [redacted], Mrs. MC DONALD was known to him by name only adding that he had never seen her.

In response to specific questions about the details of the property, [redacted] responded that the information would be reflected in the deed.

[redacted] was asked if there was a mortgage on the property and he advised there was, same being held by an unknown bank in Lake Worth, Florida. b6 b7C

[redacted] identified [redacted] as his secretary and one of the notaries and witnesses to the deed. He stated that [redacted] was unknown to him but felt she might be a witness since he thought the Florida laws required two witnesses and/or notaries in connection with these transactions.

After the interview a brief departing general conversation was held and [redacted] stated that he had formerly been connected with the State's Attorney Office, and [redacted] was a former Assistant United States Attorney, and both were familiar with investigative work.

[redacted] in law firm of WILLIAM B. CRAWFORD and HEALEY, 1 North La Salle, Room 1908, was present during an interview of [redacted] on April 24, 1961.

[redacted] was merely a witness to this interview and on one occasion suggested that the exact purchase price of the property in question could be obtained from revenue stamps on the warranty deed. [redacted] contributed nothing else of pertinence to the interview.

At the conclusion of the interview and in general conversation, [redacted] stated that he had formerly been connected with the State's Attorney Office and [redacted] had been an Assistant United States Attorney and both were familiar with investigative work.

On April 25, 1961, [redacted] Pyramid Building, Little Rock, Arkansas, advised SA HERMAN E. TICKEL he first became acquainted with [redacted] approximately eight years ago at which time she was being represented by [redacted], a law partner of his. He said after [redacted] was appointed United States Attorney for the Eastern District of Arkansas at Little Rock, [redacted] became his ([redacted]') client. [redacted] stated he has represented [redacted] off and on during the past eight years in connection with business activities. He said he first represented her in the sale of some oil rights and property which she inherited and which was located near Houston, Texas. Also that he has represented her in the sale and purchase of property in Little Rock and Hot Springs, Arkansas. b6 b7C

[redacted] further advised that although he has known [redacted] for the past eight years he knows very little concerning her personal life and background. He indicated he has always found her during his acquaintance to be of good character and reputation. He said, however, that her husband whose name he did not know reportedly died a number of years ago and she has been married on two or three occasions since his death. He had no knowledge of her owning property in the State of Florida. However, he knew she had lived in Chicago on various occasions. [redacted] furnished agents [redacted]'s home telephone number which is an unlisted telephone number [redacted]

[redacted] indicated [redacted] formerly had two children one of which died several years ago and broke her up considerably. [redacted] also stated from observation [redacted] appeared to be considerably wealthy and was of

the opinion she had received most of her money from the sale of property left to her by relatives.

On April 20, 1961, [redacted] Street, Suite [redacted] advised SAs RALPH R. HILL, JR. and WILLIAM F. ROEMER that he vaguely recalled sometime during 1956, exact date not recalled, notarizing some documents relating to some property in Florida; however, the location of which is unknown to him. He stated he did not know the late JOHN MC DONALD and advised that [redacted] and LESTER KRUSE are or were his clients and, therefore, invoked his privilege in declining to furnish any information relating to either of these individuals.

He said that he is not acquainted with any facts pertaining to any transaction regarding property in Lake Worth, Florida and was unable to recall as to the nature of the deeds or records which were notarized in 1956.

He said he is acquainted with the name of SAM GIANCANA; however; he does not represent this person and knows nothing pertaining to him.

On May 3, 1961, [redacted] Edwin Wilson and Company Fences, 2831 Forest Hill Boulevard, West Palm Beach, Florida, was displayed photographs of LESTER KRUSE, RICHARD BERNAS, aks BURNS, and SAMUEL GIANCANA. He said he did not recall ever having seen KRUSE or GIANCANA, but he believed BURNS was the person who arranged for him to install some fence at 1902 Notre Dame Boulevard, Lake Worth, Florida some years ago. He said he could not make a positive identification from the photograph displayed. b6 b7C

On May 3, 1961, [redacted] Drive, Lake Worth, Florida, advised that LESLIE KRUSE had been living at the residence at 1902 Notre Dame Boulevard, Lake Worth, for about one week during the latter part of April, 1961, and was accompanied so far as [redacted] knew, only by [redacted] He said he had been visited by KRUSE during that period and although he did not go to KRUSE's house, he felt certain there was no one with KRUSE other than [redacted].

[redacted] also advised he had heard DICK BURNS had been in that area recently making inquiries concerning

the possibility of installing central air-conditioning at 1902 Notre Dame Boulevard, but he had not contacted [redacted] and he had no personal knowledge of BURNS being in that area.

[redacted] identified photographs of KRUSE and BURNS as being those persons. On observing a photograph of SAMUEL GIANCANA, he identified him as SAM MC DONALD and said he had seen him around 1902 Notre Dame Boulevard, on Several occasions over a period of a year or more around 1957 and 1958. He said he has seen and talked with that person in the presence of DOCK BURNS and recalled BURNS called him SAM, but could not specifically recall that he was introduced as or actually called MC DONALD. [redacted] said it may be that he took it for granted that person's name was MC DONALD because he was there during the period when the property was, to his knowledge, owned by a Mr. MC DONALD, and he had the impression that person was the owner. Again, [redacted] said he did not recall that he was told that person owned that property but knows he got the definite impression that person was the owner of that house at that time. He said he associated that person with no one other than BURNS, did not associate him KRUSE, and knew no one else in that area who might know SAM. He did recall that there was a woman with SAM when he saw them in a restaurant in that area one night, but he could not recall what restaurant and could not describe the woman.

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[redacted] said he definitely had not seen that person there for two years or more, but did not recall he was there after the pool was built, at the residence. He said he also associates the arrival of a 1958 Ford Station Wagon, which is still there, with SAM's being around there, but was not sure if SAM came in it or it was purchased by someone while SAM was in Lake Worth. He could furnish no additional information concerning SAM.

On May 8, 1961, [redacted] Architect, City Center Building, Lake Worth, Florida, identified a photograph of RICHARD BERNAS, aka BURNS as the DICK BURNS who arranged for his designing a swimming pool installed at 1902 Notre Dame Boulevard in Lake Worth. He also identified a photograph of LESLIE KRUSE as the man by that name that he met through BURNS in Chicago, Illinois, and added he had seen neither since he saw them in Chicago.

On viewing a photograph of SAMUEL GIANCANA, he said he did not recall ever having met him or seen him and he did not associate him with BURNS or KRUSE. He said the only person other than KRUSE whom he associated with BURNS was a man who was in Lake Worth with BURNS when the above pool was being built, and appeared to be doing the cooking at 1902 Notre Dame. He said he did not know that man's name, but recalled he was about 55 years of age, only about 5'5", tall and very heavy.

[redacted] said he did not know who supposedly owned the house at 1902 Notre Dame Boulevard when the above pool was built there and the only person he associated with the house was BURNS.

On May 8, 1961, [redacted], Wayne Akers Ford, Inc., 1751 North Dixie, Lake Worth, Florida, advised that about the time that garage went into business in October, 1955, they started servicing automobiles usually or always brought in by JAMES FIORE, 1902 Notre Dame Boulevard, Lake Worth. He said when FIORE first started bringing cars there he had a 1956 Ford Station Wagon and [redacted] was rather certain that the bills, etc., were made out to one MC DONALD, whom he assumed was the owner of the residence at 1902 Notre Dame. [redacted] said he was not certain why but he had the impression that that automobile was originally purchased in Chicago, Illinois.

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[redacted] said later the 1956 Ford disappeared and was replaced by a 1958 Ford Station Wagon which FIORE still brings in. Again [redacted] said he had the idea that automobile was purchased in Chicago and brought to Florida, but again he was not sure why he believed that. [redacted] caused a check to be made with the Auto License Tag Bureau, Palm Beach County Court House, West Palm Beach, Florida and ascertained that that automobile, which bears 1961 Florida license 6W-2927, has Serial Number, according to those records, of H8FT130548. He said the F would indicate it was assembled in Dearborn, Michigan which in turn would indicate its purchase in the Mid-West. He also advised there must be a mistake in the serial number on the registration as the T would indicate it to be a Fairlane 500 and, being a Station Wagon, it should be FX. [redacted] said work orders on that automobile were also made out in the name of MC DONALD and that procedure continued until he, [redacted], left his job at Akers Ford in April, 1959.

[redacted] said in December, 1960, he returned to Akers Ford and recalled that the first time FIORE was in with the 1958 Station Wagon following that, [redacted] started to make out the work order to MC DONALD and was advised by FIORE that that was no longer correct; that the order should be made out to FIORE. [redacted] said he has gathered that MC DONALD is supposedly now dead, but he did not know if it was FIORE who told him that. [redacted] caused a check of the repair orders of that garage and found that the oldest available such record on that 1958 Station Wagon was dated in July, 1959, and that indicated the owner to be FIORE and the mileage on the automobile at that time to be 18,800 miles. [redacted] said it might well be that that was the first such order under the name of FIORE and the old MC DONALD records have been retired.

On viewing a photograph of LESLIE KRUSE, [redacted] said he had met that person just two or three weeks prior to that when he came to the garage with FIORE but he knew nothing more about the person than that and did not know his association with FIORE.

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On viewing a photograph of RICHARD BERNAS, aka. BURNS, [redacted] said he always supposed that person to be the Mr. MC DONALD, FIORE's previous employer, but he did not know that he had ever been introduced as such. He said he assumed that because he saw FIORE and that person together often, probably between 1956 and 1959, but had not seen him since. He said his recollection of that person includes nothing other than association with FIORE, and, therefore, association with the 1902 Notre Dame Boulevard property and added he had not seen him since he left Akers Ford in 1959.

On viewing a photograph of SAMUEL GIANCANA, [redacted] said he believed he had seen that person, but he did not know his name. He said during 1958 and early 1959, there were a number of persons around with FIORE and he believed above person was one of those persons, but he could not be certain of that and could furnish no additional information in that matter.

[redacted] said in the past few months, FIORE has obtained a 1961 Thunderbird convertible and by reviewing his records he described it as follows:

The car was purchased on February 3, 1961, from Sterling Harris, Inc., Chicago, Illinois, and received its 1000 mile check at Akers Ford, February 8, 1961, at which time it had 1,382 miles on it. It bears Identification Number 1Y73Z116504 76A, and the purchaser's name was JAMES FIORE, 911 South Carpenter Street, Chicago, Illinois. In February, 1961, it still bore 1961 Illinois license HT 9093. [redacted] said he supposed that automobile is still in Florida, although he had not seen it recently. He said this car was brought to Florida by a young man and a young woman whose names he did not know, but he described them as follows:

The man was about 33 years of age, 6'3" or 6'4", athletic build, dark complexion, black wavy or curly hair. [redacted] had never seen him before, but he was given the impression the man was associated with an automobile agency in Chicago and was just delivering the car.

The woman was about 27 or 28 years of age, about 5'10" tall, shapely, dark complexion and hair, very white teeth, and a very neat dresser. [redacted] said he believed he had seen her before and he believed it was about the time the 1958 Ford Station Wagon was brought to Florida, but he could not be sure of that.

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[redacted] said he had no idea what went on at 1902 Notre Dame Boulevard in Lake Worth, but had the impression FIORE is there alone most of the time. He recalled that in past years FIORE had indicated he had taken persons who were visiting there to Miami, Florida, and then gone after them at a later date, but [redacted] knew nothing more of that matter.

On May 9, 1961, [redacted] Famous Restaurant, 2nd Avenue North, Lake Worth, Florida, advised that a number of persons whom he associates with living or staying at the house at 1902 Notre Dame Boulevard, Lake Worth, patronize his restaurant. He said one DICK BURNS has probably been there more than anyone else and for a longer period of time, but he did not know exactly what BURNS' association with that house was or is. He also recalled one LES KRUSE, a person whose first name is SAM but whose last name he could not recall or never heard, and a person whose first name is JIMMY, but whose last name he did not know, whom

he associates with that house and who have been in the Famous Restaurant. He said KRUSE has not been coming to his restaurant for too long a time, although he was there with JIMMY just a few weeks ago. He said BURNS was in about 6 weeks or two months ago again with JIMMY, but he had not seen SAM for two years or more.

[redacted] said SAM was only there a few times to the best of his recollection and that, as he previously stated, was at least two years ago. He said he only associates SAM's being at the restaurant with BURNS, although he may have been there with other persons and added he may associate SAM with BURNS because he associates SAM with the house at 1902 Notre Dame Boulevard, and associates BURNS with that house more than anyone else.

[redacted] identified photographs of LESLIE KRUSE and RICHARD BERNAS, also known as BURNS, and identified a photograph of SAMUEL GIANCANA as being the above-mentioned SAM.

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He said he also associates the name MC DONALD with that house or that group of persons, but he did not know if he had ever seen MC DONALD. He said he seems to have the idea that MC DONALD supposedly owns the house or did own it, but he could not be sure of that or why he connected that name with that house or group of persons. He also recalled that JIMMY comes in occasionally with a young couple who have one or two children and he has been told or assumes they are related to JIMMY, but he could not be sure of that.

[redacted] said he knew nothing about above persons or above residence other than what he gathered from just casual conversation and knew nothing about the occupations of the persons from there that he has met, or the identity of other persons who might use that house.

CG T-2 advised on May 8, 1961, that he could not identify photographs of LESLIE KRUSE or SAMUEL GIANCANA. He said he believes someone by the name of KRUSE now supposedly owns the property at 1902 Notre Dame Boulevard in Lake Worth, Florida, but he has never had occasion to see that person and he could not associate KRUSE or GIANCANA with that property. On viewing a photograph of

RICHARD BERNAS, ak. BURNS, CG T-2 advised that that person is identical with the Mr. BURNS whom he has associated with the above property for quite some time. He said, however, he has not seen that person for nearly a year and had seen no one at that residence recently except for JAMES FIORE who is a caretaker of sorts.

On May 8, 1961, CG T-5 advised he has had some association with the residence at 1902 Notre Dame Boulevard, Lake Worth, Florida for about [redacted] years. He said when he first had any contact with that place, there was [redacted], and the only persons he associated with the place at that time were LESLIE KRUSE, who then lived on Seminole Avenue in Palm Beach, Florida, and DICK BURNS who was in some way interested in the maintenance of both KRUSE's home and the home in Lake Worth. CG T-5 identified photographs of LESLIE KRUSE and RICHARD BERNAS, aka. BURNS, as being identical with those persons. b7D

He advised that about three years ago, JAMES FIORE, an elderly Italian from Chicago, moved to that residence as a sort of caretaker and has lived there continually since. He said the house is very seldom, to his knowledge, used by anyone and although KRUSE was there for a few days a month or so ago, also alone, no one else has been there, to informant's knowledge, since last New Years when a party of people were there, none of whom he could identify.

CG T-5 advised he does not know who owns that house or why it is maintained on a year around basis and he could not identify a photograph of SAMUEL GIANCANA.

On May 10, 1961, Mrs. HAZEL MC DONALD, 330 North Keystone Avenue, River Forest, Illinois, advised the following:

When first contacted by Agent HILL in April, 1961, she denied any knowledge of a residence owned by her late husband in Lake Worth, Florida. She advised that her reasons for such a denial were that considerable publicity of an adverse nature had befallen her and her family as a result of disclosures of Mr. MC DONALD's interests after his death. Mrs. MC DONALD said that she did not care to become involved in any further adverse publicity and was

desirous of completely forgetting any ties with the past, particularly with her late husband.

She said that she was fully aware of the residence owned by her late husband in Lake Worth, Florida and although she could not recall the street address, she did recall that it was located on a lake or bay, was a one story stucco ranch style rambling residence with several bedrooms, two living rooms and recalled further that on one occasion when she visited at the residence, they were breaking ground in the back for a swimming pool. She estimated that this was sometime in the latter part of 1956. She advised that she had only visited this residence on three occasions and then for only a few days at a time. She said that during that period, the marital relationship between her and her late husband was very shaky and she was contemplating seriously of filing divorce action. For that reason, she did not spend any length of time at the Lake Worth residence; however, the marriage was patched up shortly thereafter. She stated that her late husband advised her that he had sold this residence for an undisclosed amount of money in 1957. She continued that she suspected, however, that he had not, in actuality, sold this residence but maintained it for the purpose of keeping a "girl friend" in that area. She had nothing to substantiate that charge and did not know the name of this so-called female companion of her late husband. She recalled that during these visits she made at the Lake Worth property, that [redacted] and his wife were there on one occasion, a restaurant owner named [redacted] was there, and recalled meeting a man named BURNS who was performing construction work on the swimming pool. She stated that she has never met SAM GIANCANA and to her knowledge, GIANCANA had never visited at the Lake Worth, Florida residence during the period of time she spent in that area. b6 b7C

As to her late husband's activities during the time that he was alive, Mrs. MC DONALD said that JOHN K. MC DONALD was, at one time during the prohibition era, a beer runner and bootlegger in the Harrison-Kedzie Street area of Chicago. After prohibition, MC DONALD controlled horse booking activities in the 29th Ward of Chicago for the late Alderman AL HORAN. Shortly thereafter, when the Kefauver Committee Hearings and disclosures of gambling activities in 1950 or 1951, JOHN MC DONALD discontinued his bookmaking activities and shortly after that, obtained

an interest in the Empire Coin Exchange Company with [redacted] and became [redacted] in the Lakeside Amusement Company with one [redacted]. Both of these companies were distributors of coin machines and pinball machines in the Chicago area.

Mrs. MC DONALD also suspects that her late husband had interests in Mc Donald's Hamburger Drive-Ins (no relation) and was supposed to have the State of Wyoming franchise for that company. She asked her late husband about this and he denied it. She ascertained that he paid approximately $35,000 for this franchise.

She stated that she also suspects that her late husband had an interest in an organization known as the Oklahoma Golden Point Drive-In restaurants which are the same caliber of Mc Donald Drive-Ins. Both of these organizations serve hamburgers and hot dogs, soft drinks, etc., at low prices. b6 b7C

Mrs. MC DONALD's reason for suspecting that her late husband had an interest in the Golden Point Drive-In was by virtue of the fact that shortly after Mr. MC DONALD's death, she took the keys to his office building at 208 North Wabash, Chicago, which was the office of the Lincoln-Devon Development Corporation, another of MC DONALD's enterprises, entered the office and his desk drawer in which was found a check in the amount of $14,000 made out to the Oklahoma Golden Point, endorsed by [redacted], signed JOHN K. MC DONALD, to the Exchange National Bank. There was also a bank statmenet dated June, 1959, one month before her husband's death, which showed a balance at that time of $19,000 in the Oklahoma Golden Point account. The $14,000 check was not shown. She gave this statement to her attorney, [redacted], who went to the Exchange National Bank and found that the account was then down to zero and the $14,000 check was shown as being put through.

Mrs. MC DONALD continued that her husband had a safety deposit box at the Exchange National Bank and at the Cosmopolitan National Bank which she states she had never entered prior to her husband's death. She said her husband died on July 12, 1959, and she, her attorney and a repre-

sentative from the State Inheritance Tax Division entered both of these banks on July 15, 1959 at which time both boxes were found to be completely empty.

Approximately one week later, Mrs. MC DONALD received a Railway Express box from Chicago which held papers, cashiers checks and other articles including $60,000 to $70,000 in stock certificates. She said that these papers are now being probated in Cook County, Illinois.

On June 7, 1961, CG T-5, advised that during the past month he had been at the residence at 1902 Notre Dame Boulevard, Lake Worth, Florida, [redacted] but had seen no one there other than JIM FIORE and had seen no automobiles there other than the Ford station wagon driven by FIORE. He said there had been no repair or renovation work there during that period to his knowledge and no additions to the house during that period. He could furnish no information about any future plans on the part of FIORE or plans for the use of the house. b7D

CG T-5 was contacted on June 14, 1961, and June 16, 1961, and advised that RICHARD BURNS and LESLIE KRUSE had been at 1902 Notre Dame Boulevard on those days with a young man, whom he did not know, but assumed to be the son of one of those persons. He said BURNS and KRUSE are apparently there with regards to the installation of an air conditioning unit and he saw no one resembling SAMUEL GIANCANA there.

On June 16, 1961, SA RICHARD B. KELLOGG, observed two persons seated in the yard at 1902 Notre Dame Boulevard, and tentatively identified them from photographs as RICHARD BERNAS, also known as BURNS, and LESLIE KRUSE. No one else was observed at that time and daily spot checks from June 14, 1961, through June 19, 1961, failed to reflect anyone other than those persons at that residence, other than those persons ordinarily there.

SA KELLOGG observed there on June 14, 15, and 18, 1961, a 1950 Studebaker bearing 1961 Florida license [redacted]. On June 15, 1961, the records of the License Bureau, Palm Beach County Court House, reflected that license is issued to a 1950 Studebaker in the name of [redacted] Road, Lake Worth, Florida. The current Lake Worth City Directory indicates that [redacted] husband, [redacted] is a carpenter and they reside on [redacted] Road in San Castle, Lantana, Florida. b6 b7C

On June 15, 1961, SA KELLOGG observed at that address a 1956 Buick bearing 1961 Florida license [redacted] On June 19, 1961, the records of the License Bureau, Palm Beach County Court House reflected that tag is issued to [redacted] Road, West Palm Beach, Florida. The current West Palm Beach City Directory indicates [redacted] is the [redacted] of a Paint and Service Store in West Palm Beach.

On June 15, 1961, CG T-2, advised that on the previous day he had observed at 1902 Notre Dame Boulevard, the man known to him as DICK BURNS (whom he identified from a photograph as RICHARD BERNAS, also known as BURNS) and another man whom he described as being 6 feet tall or better, medium to heavy build, about 50 years of age , with grey hair, which is very much receded. On observing a photograph of LESLIE E. KRUSE, CG T-2 said he believed that was the person he saw but he could not be certain from the photographs.

CG T-2 said he also observed there a young man in his late teens or early twenties who was about six feet tall. medium build, with light hair, and also saw the caretaker who is usually there, JIM FIORE. He said he observed no one who might be identical with SAMUEL GIANCANA. b6 b7C

On June 15, 1961, the records of the office of the Inspection Department, City of Lake Worth, Florida, were reviewed and reflected that Building Permit 7280 was issued on June 14, 1961, for the installation of duct work for a central heating and air conditioning system at 1902 Notre Dame Boulevard, Lake Worth, Florida. On the permit the owner of the property is listed as RICHARD BURNS and the contractor is identified as Lantana Sheet Metal Company. The permit was requested by [redacted] of the contracting company and the permit indicated on its face that "SASSER installing air conditioning. The job was valued at $900.00 which valuation was apparently only for the duct work.

On June 15, 1961, [redacted], Lantana Sheet Metal Company, 306 Mango Street, Lantana, Florida, advised that [redacted], Sasser Refrigeration, Lake Worth, Florida, got a job to install central air conditioning and heating in the residence at 1902 Notre Dame Boulevard, Lake Worth and sub-contracted with him to do the duct work for the job.

[redacted] said he is doing his work for [redacted] and dealing only with [redacted] and looking to him for payment. He said he did not know the particulars of how [redacted] got the job but he, [redacted], was being assisted in the installation of the duct work by [redacted] Lake Worth Sheet Metal Company, because it was a rush job and [redacted] was going on vacation.

[redacted] said he had been at the above residence in connection with the job and had met a Mr. BURNS, whom he identified through a photograph as being identical with RICHARD BERNAS, also known as BURNS. He said there was also a young fellow there, whom he took to be BURNS' son, although he did not know that to be so and he described this person as in his early 20's, about 6 feet tall, athletic build, about 175 to 180 pounds. He said there was an older man there who is apparently a caretaker, about whom he knew nothing more, and another man that [redacted] saw only casually and about whom he knew nothing. [redacted] observed a photograph of LESLIE KRUSE and said that the photograph might be identical with the last man mentioned above. On observing a photograph of SAMUEL GIANCANA, [redacted] said he did not recall ever having seen that man.

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On June 15, 1961, [redacted] Sasser Refrigeration, 419 North Dixie Highway, Lake Worth, Florida, advised that about two months ago he received a call from RICHARD BURNS or LESLIE KRUSE, who were in Lake Worth at the time, about installing a central air conditioning and heating unit in the residence at 1902 Notre Dame Boulevard, Lake Worth. He said they talked generally about it at the time and he later got a call from KRUSE from Chicago, Illinois, settling the deal and indicating that the job should start around June 12, 1961. [redacted] sold on June 12, 1961, KRUSE and BURNS arrived in Lake Worth and were accompanied by a young man whom he did not know but whom he assumed is the son of either BURNS or KRUSE and the job was started. [redacted] said no one ever said who owned the house at 1902 Notre Dame Boulevard, but he assumed it was KRUSE as he was paying the bills and BURNS appeared to him to be a contractor from Chicago who was only interested in helping KRUSE on the matter.

[redacted] said when KRUSE arrived from Chicago he had with him a cashiers check on a Chicago bank in the amount of $4,000.00 which he said was to c over the job. He said this check was taken by KRUSE to the Commerce National Bank in Lake Worth where it was exchanged for two cashiers checks of lesser amounts on that bank. One of those checks was endorsed over to him as partial payment for the job and the other was to be given him at the conclusion of the job. [redacted] declined to say how much he was getting for the job except to say that it was less than $4,000.00.

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CG 92-1037
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said he knew nothing of the background or activities of BURNS and KRUSE and said he had never heard of SAMUEL GIANCANA and could not identify a photograph of him. When asked who had referred BURNS and KRUSE to him, at first said he did not care to answer that question, and later said no one had done so to his knowledge and he supposed he had been chosen because his establishment was in the area of the above residence.

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On June 22, 1961, the records of

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The above information should not be made public except in the usual proceedings following the issuance of a subpoena duces tecum which should name , or his authorized representative.

CG T-6,

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CG T-6 said KRUSE indicated that he had only lived at the Lake Worth address for about three months but said nothing more about his background or business. He said KRUSE indicated he might [redacted] b7D [redacted], and left the impression he lived or intended to live at the Notre Dame Boulevard address.

On June 19, 1961, [redacted] b6 b7C Drive, Lake Worth, Florida, advised that he had seen DICK BURNS and LESLIE KRUSE at 1902 Notre Dame Boulevard, Lake Worth, during the previous week and it was his understanding they were there to see about the installation of central air conditioning and heat in the house. He said they were accompanied by KRUSE's son, whose name he did not know, and he believed they meant to stay only about one week. He said there was no one else there and during his talk with KRUSE and BURNS, the name SAM GIANCANA did not come up.

[redacted] said he did not know how Sasser Refrigeration got the job of installing the air conditioning mentioned above, but did know that Acme Electric, Lake Worth, has done a lot of work at the house mentioned above, having handled all the original wiring and all electrical matters since. He said he assumed [redacted] [redacted] at Acme Electric was acquainted with BURNS but he did not know how well he knew him. b6 b7C

[redacted] said from something KRUSE said he got the idea that KRUSE's family might move to the 1902 Notre Dame Boulevard home on a permanent basis or perhaps live there during the entire school year, but he was not certain of that. He said it is logical, however, as he believed the family had spent the entire school year in KRUSE's home at Palm Beach, Florida, in the past.

The records of [redacted] b6 b7C b7D

CG 92-1037
EWA/SLG

[redacted]

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The above information should not be made public except in the usual proceedings following the issuance of a subpoena duces tecum which should name [redacted] or his authorized representative.

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CG 92-1037
EWA/SLG

Former Residences

Chief A. J. LONGO, Palm Beach Police Department, Palm Beach, Florida, on January 23, 1953, advised that the City of Miami Crime Commission had communicated with him concerning information they had received from the Chicago Crime Commission. This information was to the effect that LESTER KRUSE with the alias KILLER KANE had purchased a home at 146 Seminole Avenue, Palm Beach, Florida.

Chief LONGO had verified the fact that LESLIE E. and [redacted] KRUSE had purchased a home at the above address from [redacted] on December 27, 1950. The purchase price was $37,500. The real estate transaction had been handled by the firm of Anderson and Carr in West Palm Beach, Florida, and [redacted] had personally handled the transaction. b6 b7C

Chief LONGO further ascertained that the deed to instant property was dated January 2, 1951, and was recorded in Palm Beach County Deed Book 929, page 116. There was in the files of the Anderson and Carr Real Estate Company a letter to an attorney named [redacted] Lourison Building in Lake Worth, Florida, and it was Chief LONGO's supposition that this attorney might have represented KRUSE. LONGO had conducted a spot surveillance of the residence and noted a 1952 Cadillac, bearing 1953 Florida License 6W2290, parked in the driveway.

Chicago T-1 advised in March, 1961, that about a year and a half ago LESLIE KRUSE had [redacted] b6 b7C b7D

During 1945, SA FRANCIS G. TIGHE determined that Mrs. ANNY KRUSE of 5206 Oakton, Skokie, is the mother of LESLIE KRUSE who resides at 4300 Marine Drive, Chicago.

He determined at this time that one [redacted] resided on the second floor at the [redacted]

Marital Status

As has been previously pointed out, the current wife of KRUSE is [redacted]

Family

Investigation discloses that in addition to KRUSE's wife [redacted] he has two sons [redacted] as well as a daughter [redacted] Other known relatives are his mother ANNA and sister VIOLA, residing at 5206 Oakton, Skokie. Chicago T-1 advised in July, 1961, that [redacted] LESLIE KRUSE, was working at that time for PETER EPSTEEN, Pontiac dealer, Skokie, Illinois. [redacted] is about [redacted] years of age and KRUSE has adopted a policy whereby [redacted] must work for money he wants so that he will appreciate having to work for this money.

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Chicago T-1 advised in October, 1961, KRUSE has [redacted] whose wife is [redacted] and they are in the juke box business and have Melrose Park sewed up. [redacted] works as a partner with an individual (FNU) [redacted]

They also [redacted] the Enchanted Forest, a children's play park, at Chesterton, Indiana. They also [redacted] a restaurant and arcade downstairs in the Illinois Central Railroad Station at Michigan and Randolph.

Chicago T-1 is of the opinion that KRUSE has [redacted] Chicago T-1 said that he is not absolutely certain of this however. b7D

Chicago T-1 has advised previously that LESLIE [redacted] b7D

Chicago T-26 advised on February 20, 1962, that [redacted] LESLIE KRUSE is keeping company with the [redacted] of PETER EPSTEEN of Epsteen Pontiac in Skokie. b6 b7C

The following investigation was conducted by SA [redacted]:

A review of telephone directories covering the Woodland Hills, California area on February 12, 1962 reflect a listing for [redacted] Woodland Hills, California, telephone DI 7-6921. b6 b7C

The following agencies were checked with negative results concerning [redacted] by name and address only:

Los Angeles indices negative as caused to be checked February 12, 1962

Los Angeles Police Department and Los Angeles Sheriff's Office, February 15, 1962, by Investigative Clerk (IC) [redacted] b6 b7C

Retail Merchants Credit Association February 15, 1962 by IC [redacted]

Los Angeles County Voters Registration March 9, 1962, by IC [redacted]

On March 13, 1962, neighborhood inquiry at residence on [redacted] reflected that [redacted] is believed to be from New Jersey, is married. wife. [redacted] believed to be his second wife, and that [redacted] owns and operates a used car agency next to the [redacted] in Encino, California.

On March 13, 1962, [redacted] Boulevard, Encino, California, advised that he has been residing in California for five years and is originally from New Jersey. He stated he has been married for approximately four years to his present wife, [redacted] aka., [redacted] and that [redacted] is married to [redacted]

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[redacted] advised that he has met LESLIE KRUSE approximately five times and last saw him approximately two years ago. He stated that he has no idea as to what line of business KRUSE is, or has been in, but had gotten the impression that KRUSE is financially well off. He stated that KRUSE has two sons, [redacted] and a daughter, [redacted]

[redacted] advised that his wife, [redacted] and her sister, [redacted] were formerly [redacted] in Vaudville years ago and that [redacted] his wife's sister. resides with her mother at [redacted] Street, Reseda. California and that another sister of his wife, [redacted] is married to a retired U. S. Marine and resides at an unknown address in Barstow, California.

[redacted] advised that approximately three years ago he had seen an article in Look or Life magazine, or possibly some other unrecalled magazine concerning a [redacted] of the Chicago area being involved in some type of gambling racket in the Chicago area. He stated that he had no idea if this individual was related to LESLIE KRUSE or if the article he was making reference to was concerning LESLIE.

[redacted] advised that from his very limited knowledge of KRUSE he considered him to be a fine man, and a law abiding citizen. He stated that his wife corresponds on occasions with [redacted]

The following investigation was conducted by SA [redacted], on April 6, 1962, at Peoria, Illinois:

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[redacted] Student Records, Bradley University, made available the complete record file on [redacted] and the following information was obtained:

[redacted] of LESLIE E. KRUSE, 5206 Oakton Street, Skokie, Illinois, was born [redacted], at Chicago, Illinois. He graduated from The Bateman School, 20 East Burton Place, Chicago 10, Illinois, in [redacted]. He entered Business School at Bradley University, Peoria, Illinois, on [redacted]

Other schools attended by [redacted] were listed as Culver Military Academy, no address, and Niles Township High School, no address.

A letter from [redacted] Social Studes, The Bateman School, to Dean of Admissions, Bradley University, was noted. This letter was for the purpose of assisting [redacted] enter Bradley University, and the letter praised "[redacted]'s exceptional record, academic and social standards."

One portion of the Bradley University entrance questionnaire inquired as to father's occupation, and this was answered, "owns plumbing company".

It was also noted that one personal reference expressed a very good opinion of [redacted] this also being for the purpose of assisting [redacted] to enter Bradley University. The person furnishing this good opinion was one [redacted] Peoria, Illinois, and investigation revealed that he is a [redacted] for the New York Life Insurance Company.

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[redacted] Bradley University, made available the locator card prepared by [redacted] which gave his Peoria address while attending Bradley University as [redacted] Avenue, Peoria, Illinois. An attempted neighborhood inquiry and a check of the Peoria City Directory both reflected that this was a non-existent address; however, on this locator card, [redacted] shows his permanent mailing address as [redacted] Lake Worth, Florida.

A check of the 1961 Peoria City Directory reflected that a [redacted] student, was residing at [redacted] Avenue, Peoria, Illinois. A discreet neighborhood check revealed that the permanent resident of this addressis [redacted] apparently a relative of subject.

A check with the Peoria, Illinois Police Department, the Peoria County Sheriff's Office, and the Credit Bureau of Greater Peoria all failed to reveal any record of [redacted]

Casual conversations with a number of students on the Bradley University campus failed to produce any friends of [redacted], and those who recalled his name only knew him from having attended classes with him.

It is not believed that [redacted] was too active in school activities while in attendance at Bradley University; and, since [redacted] lived with a relative while in Peoria, he apparently never had much association with students on the campus.

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Status of Health

Chicago T-7 stated in April, 1961, that LESTER KRUSE [redacted]

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Chicago T-7 said that in addition to this, KRUSE [redacted]

On January 29, 1962, JOY SCHMITZ, Clerk, Hospital Records Office, Chicago Wesley Hospital, 250 East Superior, Chicago, Illinois, advised that a search of her records disclosed no record for LESLIE KRUSE.

On December 8, 1961, CG T-1 advised that [redacted]

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On November 16, 1961, CG T-23 stated he has heard that KRUSE is a sick man at the present time and that his eyes are going bad. Further, that KRUSE has a heart condition and is suffering from a cholesterol condition. He added that it is reported that KRUSE is selling his home at Lake Worth, Florida, and intends to buy a home in Chicago or Cook County area. He said that KRUSE's home in Lake Worth, Florida, reportedly has a swimming pool attached to it.

Automobiles Owned and Driven by KRUSE

On March 7, 1961, Detective [redacted] Intelligence Unit, Chicago Police Department, furnished the following 1961 License number of LESTER KRUSE: MD 5540 listed to LESTER KRUSE, 5206 Oakton, Skokie, Illinois, on a dark gray 1959 Pontiac convertible. b6 b7C

CG T-23 advised in November, 1961, that he has observed KRUSE driving a white Pontiac Starchief 1962 model and that whenever the car is in the vicinity of KRUSE's home in Skokie, Illinois, that normally KRUSE will be in the house.

In December, 1961, CG T-1 indicated that KRUSE was then driving another black Grand Prix Pontiac, 1962 tudor hard top, which he had acquired from PETER EPSTEEN to be used while he was in Chicago for a few days. Informant indicated that KRUSE probably will have someone drive this car to Florida for resale and profit, similar to the one he recently had taken to Florida.

Spot checks of residence at 1902 Notre Dame Boulevard, Lake Worth, Florida, by SA RICHARD B. KELLOGG on December 22, 24, 25, and 30, 1961, and January 3, 1962, reflected no additional pertinent information. No persons were observed there during those spot checks. It was also noted that the 1959 Pontiac convertible which was being used by [redacted] and was last seen bearing 1961 Florida License 6W38695, has not been seen at that residence since the black Mercury showed up there. It is noted b6 b7C

that Pontiac, when it was first observed in Lake Worth, bore Illinois License with an MD prefix, which license was issued to [redacted]. It is also noted that when the black Mercury was observed on Notre Dame Boulevard, Lake Worth, on January 3, 1962, it was bearing 1962 Florida License 6W 35329. 1962 Florida licenses did not go on sale until January 2, 1962, and the subscriber to that plate will probably not be identifiable until the license bureau gets a chance to set up their new files.

It would appear that possibly [redacted] has exchanged the Pontiac convertible for the black Mercury and the Pontiac will now remain in Chicago or Skokie, Illinois. If so, the Florida license on same will expire February 20, 1962. If Chicago fails to observe that Pontiac in that area, it is possible that a check of records in Tallahassee, Florida, at the Motor Vehicle Division might reflect the disposition of the Florida title to that car. b6 b7C

On January 16, 1962, the records of the Palm Beach County Auto Registry, West Palm Beach, Florida, as reviewed by SA KELLOGG reflected that 1962 Florida License 6W 35329 is issued to LESLIE E. KRUSE, 1902 Notre Dame Boulevard, Lake Worth, Florida, for a 1962 Pontiac, tudor, VIN 962P3548. The license previously on that automobile, according to these records, was Illinois NJ 2294. A further review of these records reflected that in 1961 the only Florida License with a "6" prefix (Palm Beach County) issued to subject and/or [redacted] was 6W 38695, issued to [redacted] for a 1959 Pontiac convertible. Prior to having that tag, that automobile bore Illinois License MD 5540.

On January 18, 1962, there was observed at 1902 Notre Dame Boulevard, Lake Worth, Florida, a 1962 Pontiac, tudor, hard top, dark reddish brown in color, bearing 1962 Florida License 6W 35329, mentioned above. Frequent checks of that area at various hours of the day between January 18 and 31, 1962, have failed to reflect the presence of any automobiles other than the new Pontiac and the 1958 Ford Station Wagon registered to JAMES FIORE at that address.

Chicago T-18 advised in March, 1962, that LESLIE KRUSE is presently dirving a new black Pontiac Grand Prix which he hwas recently purchased from Peter Epsteen Pontiac Agency.

Household Services

On November 27, 1961, a white Dodge convertible bearing 1961 Illinois License [redacted] was observed outside KRUSE's residence at 5206 Oakton Street, Skokie, Illinois. The driver of this car was apparently a contractor doing some work on KRUSE's residence.

The listing for the above license number indicates that the car is registered to [redacted], on a Doge.

A truck from the Holiday Laundry and Dry Cleaners at Skokie, Illinois, was also observed making a pickup of laundry at about 10:30 a.m.

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b7C

From observation on November 27, 1961, it was also noted that servicemen from the Mueller-Mist-, installers of automatic lawn sprinkler systems, apparently had some work to do at the KRUSE residence. It is noted that the telephone directory indicates that the Mueller-Mist Erection Company is located in Broadview, Illinois.

II. CRIMINAL RECORD

On March 10, 1947, Lieutenant WILLIAM DRURY and Captain [redacted] Chicago Police Department, advised that on that date at 2:00 p.m. they had arrested LESTER KRUSE in the lobby of the Chicagoan Hotel. They furnished the following information:

At the time of the arrest, KRUSE was in the company of JACK GUZIK, well known Chicago hoodlum. KRUSE is known as the bodyguard for JACK GUZIK. The officers advised that KRUSE was immediately taken to the Scotland Yard Police Station and was questioned as to any knowledge he may have as to the persons who shot JAMES M. RAGEN, SR. KRUSE refused to furnish any information and was held. At approximately 3:00 p.m., Lieutenant DRURY received a call from the States Attorney's Office advising that a forthwith writ had been issued for the release of KRUSE. In KRUSE's possession at the time of his arrest were a number of items which were as follows:

1. An insurance receipt from Kells and Mc Donalds Insurance Company. This firm is operated by [redacted] his brother [redacted]

b6
b7C

2. A slip of paper containing the number Miami 3-0527.

3. A sheet of paper which had writing on it referring to the White House, a gambling establishment on Irving Park Boulevard, just outside the city limits of Chicago. Two telephone numbers were also on this paper: Diversey 7201, which is unpublished, and Diversey 1526, which is registered to [redacted] Road.

4. A sales slip which was made out to AUGUST D. LEIBE, 7644 Lake Shore Drive, made out for the purchase of a Cadillac five passenger sedan, motor number 6421442, key number 8160-8483. The price on the bill of sale was $3,749.85 and it was dated February 19, 1947. KRUSE told the officers that he had purchased the car for GUS LIEBE. LIEBE has been frequently mentioned as one of the operators of the Vernon Country Club, a large gambling establishment in Lake County, Illinois.

5. A bill from the Orchid Florist Shop, 2408 West Chicago Avenue. This flower shop is known to be [redacted] another member of the Chicago crime "syndicate". b6 b7C

KRUSE told the officers that he was presently residing at 4300 Marine Drive.

A newspaper clipping from the "Chicago Sun" dated March 11, 1947, and entitled "Kruse Tells of Exodus from Loop to Florida" and reflected the following:

"Faced with arrest every time they stick their noses into the Loop, so jealously guarded by Detective Lt. William Drury and Capt. Thomas Connelly, it seems that the local hoodlumbs prefer to spend the winter in less annoying localities.

"A bit of gossip about the local boys came to light after one of the, Lester A. 'Killer' Kruse, 40, dapper associate of Jack Guzik, carelessly visited the Loop Monday.

"Lt. Drury, now back at the 'watchdog of the Loop' post, spotted Kruse in the barber shop of the Chicagoan Hotel, 67 W. Madison St., and promptly took him into custody for questioning about the murder of Feb. 14 of John E. Golding.

"Kruse, wearing a fine tan, said he had just dropped in from Florida, and exchanged chit-chat about other boys down there.

"Tony Accardo, reputed head of the Capone syndicate, is in Miami, but he doesn't have a 'strep' throat, as was reported, according to Kruse. He has a bad case of ulcers.

"Willie Heeney, another of the leading figures of the mob, is also sick in Miami, Kruse reported.

"'Something wrong with his stummick.'

"Kruse, himself, is a very honest man, according to his own story. He said he was in the beer coil trade. Papers of his person indicated he was about to file an income tax report on $28,000 and that he had just purchased a new Cadillac for $3,700.

"The friendly chat was interrupted when George Bieber, attorney, appeared with a writ of habeas corpus. Kruse was released, with a warning from Capt. Connelly and Lt. Drury about staying out of the Loop."

The "Chicago Tribune" issue of September 7, 1959, contained an article entitled "Bid to Tie Politics to Gaming" and subtitled "Subpena Patrons in Fischetti Dice Game" by ROBERT WIEDRICH. This article reads as follows:

"A county grand jury investigation of crime syndicate gambling and possible links to law enforcement officials will be conducted over the next two months, it was learned Sunday.

"Disclosure of the probe of possible official laxity or even connivance followed two gaming raids in Cicero by the prosecutor's office, including one which smashed the county's biggest floating crap game which has operated in open defiance of the law for many months.

"Seize Rocco Fischetti

"This raid also netted one of the crime syndicate's top gambling chiefs, Rocco Fischetti, 55, owner of the crap game whose high stakes furnished a lure for hoodlums and wealthy crap shooters.

"Between the crap game and a handbook raid, a veritable mob of patrons was handed grand jury subpenas. Operators of the two gaming palaces were also subpenaed.

"Frank Ferlic, acting state's attorney, said a pattern of organized syndicate gambling would be presented to the grand jury over a two month period.

"The issuance of subpenas to the 50 patrons of a handbook at 1306 S. Cicero Av., Cicero, and 54 crap shooters in the Viaduct lounge, 4612 Cermak Rd., Cicero, was the first such step in the memory of observers. Usually, patrons are either charged with being inmates of a gaming house or allowed to go free.

"Along with Fischetti, Newey's raiders arrested Gus Liebe, 53, Fischetti' manager of the crap game, and Lester Kruse, 52, sometimes known as Killer Kane, who used to operate Calumet City's infamous syndicate gambling joint, the Owl Club, in happier days.

"The raiders relieved the players in the Viaduct lounge of $35,000, thenused sledges to break open a safe. This yielded another $74,430, which was counted out in Gus Lieve's presence. They money was impounded.

"Smach Down Doors

"The three hoodlums were handed grand jury subpenas and then booked as keepers of a gambling house along with three lesser employes.

"At the handbook, which Newey said he understood was operated by Sam (Mooney) Giancana, a gank chief, 14 persons were charged as keepers. Patrons were released after being handed grand jury subpenas.

"At the crap game, the raiders used a battering ram mounted on a truck to smash in steel doors.

"Players of the floating crap game have been known to lose as much as $10,00 in a night and a single table has involved $100,000 play at a time, Newey said.

"$200,00 a Night

"The floating crap game has functioned with almost miraculous immunity for some 15 years under Liebe's direction, all in Fischetti's behalf, of course. It has gently wafted its way thru a variety of locations in Cook and Lake Counties thru the years.

"On nights when the dice are hot, more than $200,00 changes hands under Liebe's eye.

"Its quarters at the rear of the Viaduct lounge are air conditioned and comfortably furnished. Liebe, in the past, has repeatedly explained that his type of operation is too big to hide from official observance. Smaller locations just do not produce the 'take' to make it worth while for the crime syndicate."

On October 5, 1961, the files of the Bureau of Records and Communications, Chicago Police Department, were reviewed by IC [redacted], for any record of KRUSE and the following was disclosed: b6 b7C

LESLIE KRUSE, with alias KILLER KANE, 5206 Oakton Street, Skokie, was arrested at 100 East Chicago Avenue, on January 13, 1956, for investigation. He was arrested along with JAKE GUZIK of 7240 Louella Avenue. On January 17, 1956, KRUSE was discharged before Judge POPE in court branch 27.

A previous arrest on March 17, 1943, indicates that LESLIE KRUSE of 2436 Greenleaf, Chicago, was arrested March 17, 1943, for investigation at Belmont and Broderick, Chicago. On April 30, 1943, before Judge DRUCKER, KRUSE was discharged.

A notation contained in the files indicates that on January 2, 1948, KRUSE's record and prints were destroyed upon the order of Commissioner PRENDERGAST.

CG 92-1037

The following is LESLIE EARL KRUSE's FBI Identification Record number 274 989 B dated October 9, 1961:

Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
USM Chicago, Ill	Leslie E. Kruse #1780	5/9/40	not given	pending
PD Skokie, Ill.	Leslie Kruse #---	11/27/59	conspiracy chap 38-Sec 138	turned over to the Cook Co States Atty's Pol
St Atty's Off Chgo, Ill	Leslie Kruse #311	11/27/59	1-consp (gamb) 2-keeper (gamb house)	

Description:

Race:	Caucasion
Sex:	Male
Height:	71½"
Weight:	195
Hair:	Grey
Eyes:	Blue
Date and place of birth:	10/5/06, Chgo, Ill.
Citizenship:	NB
Residence:	5206 Oakton St. Skokie, Ill, in 1959
Occupation:	Salesman

Aliases: Lester Kane; Les McCarthy; Lee Marshall; Joe Marshall; J. Sweeney; George Howley.

III. ASSOCIATES

ANTHONY J. ACCARDO

An article appearing in the "Chicago Tribune" Sunday magazine section on November 18, 1956, written by VIRGIL PETERSON, Operating Director of the Chicago Crime Commission, indicates that among others who were identified at TONY ACCARDO's July 4, celebration in 1954 and 1955, was LESLIE KRUSE, gambling casino manager.

CG T-8 advised that he had received information during the early fall of 1960 that the government intended to subpoena RALPH PIERCE and LESTER KRUSE, Chicago hoodlums, who are closely associated with MURRY HUMPHREYS, for appearance as government witnesses in the trial of TONY ACCARDO.

The "Chicago American", five-star complete edition issue of October 9, 1960, page 4, column 3, contained an article entitled "Mobster May Star in ACCARDO Suit". The article reflected that the question of whether the crime syndicate's Vice-President-In Charge of gambling should be called to testify in TONY ACCARDO's tax evading trial promises fireworks at "tomorrow's" court session.

Involved is a mystery witness who has been subpoenaed by the government to appear in the court of Judge JULIUS H. HOFFMAN.

One of these mentioned as the possible mystery witness is LES "Killer Kane" KRUSE, a syndicate gambling kingpin.

CG T-7 advised in September, 1961 that LES KRUSE in recent weeks has been having numerous meetings with TONY ACCARDO and GUS ALEX.

CG T-9 has advised that TONY ACCARDO, who is known by his close associates as JOE BATTERS, up until approximately 3 or four years ago was recognized by his associates in the Chicago underworld as being the top leader. This informant advised, however, that 3 or 4 years ago, ACCARDO, apparently due to his own wishes in this regard, more or less retired from his former position and now maintains a less active role in the affairs of the underworld. The informant advised, however, that ACCARDO continues to lend his advice and experience to his associates and is still considered by this informant to be one of the top leaders of the Chicago underworld. ACCARDO resides in a mansion estimated in value up to half a million dollars at 915 Franklin Street, River Forest, Illinois.

In November, 1961, CG T-23, advised that he was told that KRUSE went to the home of TONY ACCARDO on November 14, 1961, to attend a meeting. He did not know who else was present at this meeting, but it is reported that KRUSE has the utmost respect for ACCARDO and believes him to be the greatest guy to have ever lived

GUS ALEX

CG T-9 has furnished information over the past couple years that LESLIE KRUSE and GUS ALEX have been in occasional contact with each other.

As noted under associate ACCARDO, an informant has advised that KRUSE and ALEX had been having frequent meetings as of September, 1961.

Information is contained elsewhere in this report reflecting that KRUSE reportedly represents ALEX in ALEX's gambling interests in Chicago.

CG T-1 advised in April, 1961, [redacted] b7D

CG T-10 advised on September 1, 1960 that GUS ALEX is highly placed at this time in the Chicago "syndicate" and in this connection was placed in charge of the activities in Chicago's Loop which is described as the heavy commercial area of downtown Chicago, encompassing much of Chicago's large office buildings, restaurants and other commercial establishments.

ANTHONY "RAMIE" ALFERVIC

In January, 1962, CG T-1 advised that for years "RAMIE" was one of the bosses for JOE FISCHETTI and LESTER KRUSE at the Viaduct Lounge, Cicero. "RAMIE" reportedly was betting on his own and not tending to business at the gambling establishment and was therefore removed. He said that since "RAMIE" left the Viaduct Lounge he has been to various tracks at Miami and has been doing extremely well.

In January, 1962, CG T-24 advised that he had recently learned of the death of "RAMIE", a well known individual in gambling circles. He stated that "RAMIE" had fallen out of favor with LESTER KRUSE and GUS ALEX shortly before the raid of the Viaduct Lounge in Cicero.

This source learned that sometime in mid-January, 1962, KRUSE had been in the offices of [redacted] both attorneys, as well as Postl's Health Club where calls had been made primarily to gamblers and lesser figures of the hoodlum society advising them of the fact that "RAMIE" had died of a brain tumor on the operating table and would be laid out at Colletta's Funeral Home at 26th and Wentworth starting Thursday Evening, January 25, 1962. b6 b7C

[redacted] Aka., [redacted]

On November 24, 1954, then United States Attorney ROBERT TIEKEN, furnished the Chicago Office with information concerning some South Water Market Produce dealers in Chicago. [redacted] was identified as an associate of Chicago underworld figures including LESTER KRUSE. b6 b7C

[redacted] has been reported to the Chicago Office as being [redacted] of the H&H Restaurant and allegedly a fence for stolen property and also as being associated with various Chicago hoodlums.

RICHARD BERNAS

It has been reported elsewhere in this report BERNAS resides next door to KRUSE at 5208 West Oakton Street, Skokie, Illinois, and has been closely associated with him for years.

CG T-1 advised in July, 1961, that DICK BERNAS, an associate of LESLIE KRUSE, and who does remodeling and architectural work for KRUSE and other individuals of organized crime in the Chicago area, resides in a home to the rear of LESTER KRUSE's home on the same property. Informant stated

[redacted] b7D

Considerable information concerning BERNAS as well as an interview of BERNAS is set out elsewhere in this report under the information concerning KRUSE's property in Lake Worth, Florida.

[redacted] (LAST NAME UNKNOWN) POSSIBLY [redacted]

CG T-24 advised on November 19, 1961, that he has recently noticed an individual who appears to be closely associated with LESLIE KRUSE and who is frequently in KRUSE's home. This individual is one [redacted] (Last Name Unknown), described as white male, 6', 210 pounds, black hair, well build, age agout 43, soft spolen, wears white shirt, no tie, jacket and work pants. He further described him as having a "hick" hair cut insofar as the clippers are used on the sides of his head. He believes this individual might be a policeman; however, he did not know in what city he works. He said that on one occasion KRUSE instructed [redacted] to obtain and take care of reservations for KRUSE on a train. b6 b7C

MARSHALL CAIFANO

CG T-11 advised on January 18, 1961, that MARSHALL CAIFANO and LESTER KRUSE met frequently at Peter Epsteen Pontiac, 8700 North Lincoln, Skokie, Illinois. CG T-11 advised on September 1, 1960, that MARSHALL CAIFANO is a Chicago "syndicate" representative with responsibility of Chicago's Near North Side.

FRANCIS CURRY

Under the J&J Picnic Grove, found elsewhere in this report it will be noted that CURRY has an interest in the J&J Picnic Grove and thus has been associated with KRUSE in this enterprise.

CURRY and KRUSE had been associated in their criminal activities since both have been active in the Joliet, Illinois area.

Information has been received indicating that CURRY is presently the boss of illegal activities in the Joliet, Illinois area and in the 1940's was the manager of a farm or large estate for [redacted] while the latter was in the penitentiary for extortion in the [redacted] Case. b6 b7C

[redacted]

The "Chicago American" on November 10, 1953, carried an article entitled "Chicago Mobsters on Move - Mobsters Evade Nevada - Tax Commission Bares Crooked Gambler". This article reported that [redacted] appeared to be a man of influence around the Golden Hotel Bank Club, Reno, Nevada. Evidentially he made application for a gambling license as part owner. The article related that [redacted] is an intimate associate of LESTER "Killer Kane" KRUSE, a top ranking member of the AL CAPONE Mob. Information indicates a close degree of association between KRUSE and [redacted] in gambling interests, particularly in the Cicero, Illinois area and at the J&J.

b6
b7C

CG T-12 advised on June 30, 1958, that [redacted] has operated gambling establishments in Reno and Las Vegas, Nevada and at that time was one of the officials of the then new, Stardust Hotel casino, in Las Vegas. Informant stated that [redacted] had always been the type of individual who fronted for undisclosed interests in gambling establishments and that [redacted] was the "front" for [redacted] at the Bank Club, Reno, several years ago.

PETER EPSTEEN

It has been stated elsewhere in this report that the auto agency operated by EPSTEEN in Skokie, Illinois has been the meeting place for KRUSE and other hoodlums for sometime.

It is further pointed out that EPSTEEN's [redacted]

In December, 1961, CG T-1 advised that KRUSE's associate, PETER EPSTEEN of Epsteen Pontiac [redacted]

b7D

Source advised that he recently learned that EPSTEEN is married to an Italian girl whose father was named (FNU) [redacted] (phonetic) and who [redacted] b6 b7C

ROCCO FISCHETTI

Information is set forth elsewhere in this report concerning KRUSE's close association with FISCHETTI in connection with gambling interests in Cicero, Illinois, particularly in fronting crap games.

It has been also reported that KRUSE used to assist FISCHETTI in the operation of the Vernon Country Club.

CG T-8 has advised that ROCCO FISCHETTI is one of the leading members of the underworld in Chicago and that he is a first cousin of the deceased AL CAPONE. The informant advised that during recent years it has been FISCHETTI's function to operate some of the largest casinos in Cook County. FISCHETTI resides in Skokie, Illinois, which is also the home of KRUSE.

JOE FISCHETTI

CG T-26 advised in February of 1962, that KRUSE was supposed to play golf at the Doival Country Club, a golf course operated in association with the Fontainebleau Hotel in Miami, Florida. KRUSE was to have played with JOE FISCHETTI.

It is noted that JOE FISCHETTI is considered to be the booking agent for FRANK SINATRA, also a known hoodlum for many years and brother of ROCCO FISCHETTI, Chicago hoodlum and partner of KRUSE in gambling ventures in the Chicago area.

SAM GIANCANA

It has been set forth elsewhere in this report that KRUSE is reputed to be one of GIANCANA's men and reports to him. In approximately 1954, it was conceded by individuals known to CG T-8 and CG T-13 that SAM GIANCANA was the absolute leader among the criminal element of Chicago.

JACOB GUZIK

During the course of another official investigagion conducted in 1943, it was determined the GUZIK let it be known that should it be impossible to reach him, he could be located through LESLIE KRUSE, an employee of Nu-Way Beer Coil Cleaners.

It has also been previously reported that KRUSE was a bodyguard for the late JAKE GUZIK. It is common knowledge that GUZIK was one of the top leaders of the Chicago underworld until his death in 1956.

MURRAY HUMPHREYS

CG T-14 advised in early 1961 that some months before HUMPHREYS had dinner during the evening with LESTER KRUSE at the Old English Grill, located in the Lake Shore Hotel, 181 East Lake Shore Drive. Informant advised that KRUSE and HUMPHREYS have apparently been associated with each other for many years.

CG T-8 has advised during the past two years that MURRAY HUMPHREYS has been a leader of the Chicago underworld since the early 1920's. This informant has furnished information indicating that HUMPHREYS during the 1920's was one of the chief lieutenants of AL CAPONE, then recognized as the leader for organized criminals in Chicago. Informant stated that following the conviction of AL CAPONE, HUMPHREYS became the crime leader who directed the hoodlums in two basic directions, namely, corruption of politicitians and public officials so that these persons were favorably inclined towards HUMPHREYS and

his associates and second, in the control by the hoodlums of certain legitimate labor unions. Informant further advised that he recently hears that due to a decline in HUMPHREYS' health, he is used in an advisory capacity as a legal "mastermind" and as a counsellor to the hoodlum element.

FRANK LA PORTE

CG T-7 advised that during the Income Tax trial of ANTHONY J. ACCARDO, LESTER KRUSE and FRANK LA PORTE [redacted] b7D

As has been previously stated in this report LA PORTE as well as KRUSE, has an interest in gambling activities in southern Cook County and specifically they have shared an interest in the Owl Club in Calumet City.

CG T-14 advised during early 1961 that FRANK LA PORTE is a prominent underworld member with responsibility for southern Cook County.

GUS LEIBE

It has been noted that KRUSE and LEIBE have been extremely close associates in gambling activities for many years extending from the Vernon Country Club in northern Illinois to Cicero, Illinois, west of Chicago, where they engaged in floating crap games and most recently to the J&J Picnic Grove to the south of Chicago.

CG T-13 advised in September, 1961, and CG T-1 advised in October, 1961, that GUS LEIBE is one of the few remaining members of the old CAPONE mob in Chicago and has long been associate with ROCCO FISCHETTI. LEIBE's capacity in this association has been that of "executive" in the operation of the so called "big games" in the Chicago area. These "big games" were described by both of these informants as the single gambling operation operating on a semi-permanent basis consisting of dice tables, poker, roulette and horses which are described elsewhere in this report as the Owl Club, the Viaduct Lounge in Cicero and the J&J Picnic Grove in Will County, Illinois.

CG T-24 advised in November, 1961, that LIEB [redacted] b7D

RALPH PIERCE

The association between KRUSE and PIERCE, particularly in the gambling operation has been set forth elsewhere in this report. Particular attention is called to information regarding [redacted] b7D

CG T-10 advised on September 15, 1960, that RALPH PIERCE is a leading member of the underworld and that he has jurisdiction over gambling on the south side of the city of Chicago for the "syndicate".

ROCCO POTENZO

CG T-1 advised in March, 1961, that POTENZO is a good friend of LESTER KRUSE, [redacted] CG T15 advised on December 6, 1960, that ROCCO POTENZO recently related that he had "taken over" as Chief Lieutenant for SAM GIANCANA, a large territory in the northwest portion of Chicago and in the northwest suburbs. According to this informant POTENZO has been known to frequent the H&H Restaurant on North La Salle Street, Chicago (partially [redacted]. b6 b7C b7D

MANNIE SKAR

CG T-7 advised in June, 1961, that SKAR is the part owner of the Saraha Motel in Chicago, also that SKAR formerly operated the Skar Construction Company with LEON MARCUS, Southmoor Bank official, who was murdered several years ago. Informant added that SKAR is closely associated with KRUSE, ACCARDO and GIANCANA.

MANNIE SKAR in the past has identified himself as the President of several real estate and construction companies in the Chicago area. He has offices at 188 West Randolph Street in Chicago. He has admitted association with MARSHALL CAIFANO, identified above as an associate of KRUSE.

[redacted] (POSSIBLY [redacted])

b6
b7C

In November, 1961, CG T-1 advised [redacted], a frequenter of Tam O'Shanter Country Club, was in Chicago, having come from Las Vegas, Nevada. [redacted] came to Chicago specifically to run craps and roulette at the J&J Picnic Room which was recently shut down. He advised that now the "outfit" has to support [redacted] while he is in Chicago, inasmuch as he is not working. CG T-1 indicated that [redacted] told him he was paid $500 by LESLIE KRUSE. The $500 was in lieu of salary and was to pay for expenses until he again can be used in the gambling setup in Chicago.

On February 1, 1962, CG T-25 advised that [redacted] an associate of MARSHALL CAIFANO, was with CAIFANO on January 25, 1962, in [redacted]'s 1961 Black Oldsmobile sedan, bearing 1961 Illinois License [redacted].

b6
b7C

Informant advised [redacted] resides at [redacted] Street, Melrose Park, Illinois, and was formerly connected as a salesman for the Nu-Way Company, of which KRUSE is an officer.

CG T-18 advised on February 23, 1962, that [redacted] was brought in from Las Vegas, Nevada where he was a card dealer or dice man and is closely associated with LESLIE KRUSE. He stated that [redacted] will probably be one of the bosses with [redacted] Illinois, He described [redacted] as male, white, 5'5', black hair, bushy eyebrows, stocky build, wears expensive clothes, and is a dapper dresser. b6 b7C b7D

EDWARD VOGEL

[redacted] Street, Chicago, an [redacted] Drive, former residence of KRUSE, stated that EDWARD VOGEL is frequently with KRUSE. b6 b7C

It has also been stated on numerous occasions that KRUSE and VOGEL have been closely associated and have been in contact in connection with the underworld activities.

CG T-14 advised in 1959 that EDDIE VOGEL is a leading member of the underworld in Chicago and that he has responsiblity for the placement of coin operated machines throughout the Chicago area. These machines included juke box and pinball machines as well as slot machines.

IV. CRIMINAL ACTIVITIES

Position of LESLIE KRUSE in Organized Crime in Chicago

In 1955, the Chicago Police Commissioner advised the names of alleged "syndicate" members enplaned on Eastern Air Lines flight 907 from Chicago to Miami on June 7, 1955. One of these individuals was LESTER KRUSE with alias "KILLER KANE" and it was believed that this trip may be a gathering of mob leaders to select the successor to LOUIS CAMPAGNA, who died in Miami on May 30, 1955.

On March 27, 1961, Chicago T-16 advised that at one time LESTER KRUSE, GUS LIEBE and RALPH PIERCE were employed in the 45th Ward, Chicago, but they succumbed to pressure and temptations offered by the "syndicate" to the point where they are now considered members in good standing. He said that KRUSE resisted efforts by "syndicate" members to take over his operation for years until after the war when he gave in.

In May, 1961, with reference to the organizational breakdown of the "outfit" Chicago T-1 said that in his opinion, it was set up as follows. He advised that with respect to the Joliet, Illinois area FRANCIS CURRY, a one time powerful individual, is now nothing more than a figurehead with LESTER KRUSE and FRANK LA PORTE being the more powerful individuals representing the "outfit" interests in that area.

He advised that GUS LIEBE, a constant companion of LESTER KRUSE, and an individual who represents KRUSE's interest at the big crap game at the J and J Picnic Grove is actually a person of no influence. GUS LIEBE is simply a companion of KRUSE and has no weight and has been kept on through the years because he has been with the gambling operation for many, many years. It is actually LESTER KRUSE who carries all of the weight.

The over-all supervision of the huge crap games on the southwest side still rests with ROCCO FISCHETTI, however, FISCHETTI today has turned over most of his interests to KRUSE to run for him.

With reference to the Waukegan, Illinois area, CG T-1 advised that LESTER KRUSE still retains control of this area. He originally acquired control when he supervised "outfit" gambling interests at the Vernon Country Club in Deerfield, Illinois, years ago and through his contacts with the police and criminal element, he still maintains control in this area.

CG T-7 advised in July, 1961, that KRUSE is considered higher in stature in the criminal organization in Chicago than FRANK LA PORTE with specific regard to the operation of the J&J Picnic Grove gambling casino located at 159th Street near Wolf Road. He stated that [redacted] b7D

CG T-1 advised in August, 1961, that LESLIE KRUSE is a member of the Board of Directors of the "outfit" and is [redacted]

CG T-7 advised in July, 1961, that in connection with RALPH PIERCE and KRUSE, that KRUSE is considered above PIERCE in rank in the "outfit". He stated [redacted] b7D He stated that he is not personally able to understand KRUSE's position in the structure of the "outfit" because in his opinion LESLIE KRUSE is not "tto sharp" an individual. He stated that KRUSE is very slow in connection with figures and odds in connection with gambling and feels that it is odd that KRUSE should be placed in charge of gambling interests for the "outfit" because of this lack of nimbleness.

CG T-7 advised July, 1961, that LESLIE KRUSE is in his opinion a "general" in the GIANCANA organization and in this capacity enjoya a close degree of association with GIANCANA and carries out many of GIANCANA's orders.

31.

CG 92-1037

Connection of LESLIE KRUSE with Crimes in Chicago

A newspaper clipping from the "Chicago Daily Sun Times" late final edition, August 31, 1950, page 42, column 1, carried an article entitled "Likely Witnesses in Inquiry Listed," reflecting that VIRGIL PETERSON, operating director of the Chicago Crime Commission, expected the Chicagoans he named in Senate Crime Committee testimony would be called as witnesses. One of those PETERSON named LESTER A. KRUSE, active in racing news services and scratch sheets questioned in the murder of ESTELLE CAREY.

A newspaper clipping from the "Chicago Sun Times," issue of January 14, 1956, page 3, column 1, entitled "Police Interrupt Dinner for Four" reflected that the police interrupted a dinner at the Hucksters, a private key club at 100 East Chicago.

The parties at this dinner were JACOB M. GUZIK, MURRAY (THE CAMEL) HUMPHREYS, MEYER SACHS and LESTER KRUSE, 5206 Oakton, Skokie, who bears the gang tag of "KILLER KANE". The police wanted to question them on the gank style slaying of ALEXANDER (LOUIE) GREENBERG.

A newspaper clipping from the "Chicago Sun Times" dated January 17, 1956, page 3, column 2, entitled "Jigsaw Puzzle Bears Owl Club Profits", reflected that police Lieutenant JOSEPH MORRIS put together a couple of jigsaw puzzles that reveal secret gambling operations of the crime syndicate. "He said Monday night they disclosed that (1) notorious Owl Club in Calumet City, reported by Sheriff's Police to have been raided out of business, made more than $50,000 profit last year. (2) Syndicate gamblers are using veterans' organization as front for activities.

"The pieces of the jogsaw puzzle were unwittingly placed in the hands of Lieutenant MORRIS, head of the Scotland Yard Investigative Unit, by Lester ('Killer Kane') Kruse, a syndicate associate.

"Kane and Meyer Sachs were picked up Friday night along with Jacob M. Guzik and Murray (the Camel) Humphreys, long time syndicate kingpins. The quartet was yanked from a dinner at the Hucksters, a key club at 100 East Chicago, by officers who wanted to question them about the slaying of Alexander (Louie) Greenberg.

"As they were being driven to Scotland Yard Headquarters, Krsue was busy tearing up personal papers."

Additional information concerning arrests will appear in this report under the caption Legitimate Enterprises.

Gambling

Lieutenant [redacted] (Oak Park Police Department) on January 15, 1945, advised that LESLIE KRUSE [redacted] He said additionally that KRUSE is the owner of the Muno Brothers Turf Club, a tavern and bookie joint near Western and Touhy Avenues. He also said that KRUSE owns a gas station on the southwest corner of Western and Touhy Avenues. Further, that KRUSE owns a house or a two glat building in Niles, Illinois. [redacted] further stated [redacted] b6 b7C b7D

CG T-17 on January 23, 1957, advised that at that time was currently operating at 4612 West 22nd Street a big money game with a $500 limit. He stated that the big man running

this is LESLIE KANE, known as "KILLER KANE", a member of the "syndicate," and that men named [redacted] and GUS LEVY (believed to be LIEBE) and RAMEY are also involved. He stated that this is the game formerly operating at Montrose and Narragansett and moves around depending where the head is on. b6 b7C

CG T-17 stated on March 11, 1958, that the big crap game is still being operated in Cicero. It now takes place in a tavern which is in the first building west of the viaduct on west 22nd Street in Cicero.

CG T-17 on both February 28 and March 7, 1958, saw ROCCO FISCHETTI at the game. He said that FISCHETTI appears to be the boss of the game and generally sits on an elevated seat where he can overlook the entire table. On February 28, 1958, GUS LIEBE showed up at the game and from conversation CG T-17 determined LIEBE had been in Florida and just returned that day. CG T-17 added that among others LES KANE is one of the managers and overseers at this game. He said that he thought FISCHETTI is the over-all boss.

In 1951, The Chicago Office received information that the Vernon Country Club, Sanders and Deerfield Roads, Deerfield Township, was a place where gambling was in operation and one of the bosses there was LES KRUSE. Further, that KRUSE operates the Saddle Bluc, Cicero, Illinois, the Royal Cafe, Cicero, Illinois, and handled bookmaking in Forest Park, Illinois.

In 1946, [redacted] Street, Chicago, Illinois, [redacted] Drive, a former address of KRUSE, stated that EDWARD VOGEL is friendly with KRUSE. Further, that KRUSE reportedly owns a night club on the outskirts of the city and is supposed to have some interest in the bookie business in Chicago. b6 b7C

An article from the Chicago Daily Tribune, 3 Star Sports Final edition, June 9, 1951, page 4, column 3, Part I, had an article entitled "List Hoodlum Tax Targets in Federal Probe" with a sub-caption "Racketeers Revealed as Under Scrutiny" reflected that a list of hoodlums, gamblers and politicians, whose income tax returns are to be investigated by the Special Fraud Squad of the Bureau of Internal Revenue, was released. This list contained the name of LESTER KRUSE and also the following information about him:

"4300 Marine Drive - formerly connected with a racing news service with his father, ARNOLD; convicted of income tax evasion in 1940."

A newspaper clipping from the Chicago American of November 10, 1953, page 12, column 1, entitled "Mobsters Invade Nevada" with a sub-cation "Tax Commission Bars Crooked Gambler" reflects JOHN DREW operated the Bank Club, and of particular interest was the apparently important role assumed by JOHN DREW, an intimate associate of LESLIE KRUSE, a top ranking member of the Capone gang, and one of the syndicate's managers of Ralph's Place in Cook County.

A newspaper clipping from the Chicago Daily News May 31, 1955, page 14, column 4, and entitled "US Marshals Hunt 7 For Gaming Quiz" reflected that Federal Marshals spent the week end checking on gambling places and searching for seven men wanted for questioning about gambling.

The men are sought for questioning about the recent drop in gambling revenue paid the Government. Gamblers must pay ten per cent of their gross take.

One of those being sought is LES KRUSE, 5206 Oakton, Skokie, Illinois.

Lieutenant [redacted] (NA), Chicago Police Department, advised on January 13, 1956, that he had heard that JAKE GUZIK, LESTER KRUSE and [redacted] were planning to open the Jockey Club in Cook County, Illinois, as a "key club" and had already obtained a charter. b6 b7C

The records of the Chicago Crime Commission (CCC) contain a memo dated July 20, 1949, concerning LESTER A. KRUSE. This memo reflects that on February 3, 1949, WILLIAM DRURY, a former police lieutenant who died as a result of a shotgun blast in ambush, advised shortly before his death that he had seen GUS ALEX and KID KANE (LESTER KRUSE) enter the office building with two other hoodlums at 222 North Clark Street, Chicago.

The CCC advised that information was received by them on March 30, 1953, that LESTER KRUSE and GUS ALEX had recently travelled to Florida together.

The CCC reported that their records contain a memo dated January 24, 1955, reflecting that LES KRUSE, GUS ALEX and other hoodlums were at that time engaging in handbook operation in Chicago and in Indiana as far from Chicago as Indianapolis, a distance of approximately 150 miles.

Additionally, it was reported that LESTER KRUSE was one of the seven hoodlums who was to accompany GUS ALEX to the LOUIS CAMPAGNA funeral in Florida on June 7, 1955.

According to the records of the CCC dated August 13, 1958, they received information on June 22, 1954, that LESLIE KRUSE was connected with the gambling place called The Fort but had nothing to do with it for some time since ROCCO FISCHETTI managed the place when it operated. According to their information, TONY ACCARDO allegedly received $75,000 a year from this game for services rendered.

On April 8, and 9, 1957, CG T-17 advised that gambling activities are now located directly on the southwest corner of Roosevelt Road and 49th Avenue in Cicero. He believes that this is the biggest game in existence in this area having the biggest table operating. He was of the opinion that both Cicero and States Attorney's police are receiving payoffs to enable this game to continue operating. Informant named LES (KILLER) KANE as one of the operators for the syndicate. He stated that admittance is gained through recognition by a man at the front door. Informant has a speaking acquaintance with KRUSE who he described as a "nice guy" but who was believed to have a rough repuation in his younger days.

On December 20, 1957, CG T-17 advised that there is a big crap game being opeated in Nickie's Restaurant at 22nd and Cicero Avenue. He believes that LES (KILLER) KANE is the man in charge of this operation. He stated that KANE has been connected with the syndicate for years.

On March 17, 1958, CG T-13 advised that LESTER KRUSE and an intimate friend, [redacted] were arrested in 1935 at Quincy, Illinois, in connection with a crooked dice game.

b6
b7C

Informant also advised that in 1953, KRUSE managed Ralph's Place, a gambling joint in Cook County, Illinois. Also in 1954, along with [redacted] he assumed the "front" for the syndicate at the Golden Hotel and Bank Club of Reno.

Informant additionally advised that on June 13, 1956, when KRUSE along with GUZIK and HUMPHREYS was arrested they had in their possession ledger sheets revealing that TONY ACCARDO had an interest in the Owl Club, Calumet City, netting $55,000 per year.

Informant stated that it is alleged that KRUSE is a "front" man in the gambling rackets for ACCARDO.

The Chicago Sun-Times issue of April 24, 1958, page 46, contained an article entitled "Tieken Lists Chief Hoodlums Here; Police Critical". The article reflected that a "who's who of hoodlums" in Chicago has been drawn up by the United States Attorney Robert Tieken with a view toward making trouble for them.

This listing is in line with the Federal Government's recently announced plan to put one hundred of the country's top gangsters in prison.

In the Loop, TIEKEN names LESTER "KILLER KANE" KRUSE as boss of the bookies under BUS ALEX and SAM GIANCANA.

On December 10, 1958, CG T-10 advised that LESTER "KILLER KANE" KRUSE is operating in conjunction with ROCCO FISCHETTI as a leader of gambling operations in Cicero, Illinois.

The Chicago Tribune in the issue of September 7, 1959, contained an article entitled "Bid to Tie Politics to Baming", "Subpoena Patrons in Fischetti Dice Game", written by ROBERT WEIDRICH.

"A county grand jury investigation of crime syndicate gambling and possible links to law enforcement officials will be conducted over the next two months, it was learned Sunday.

"Disclosure of the probe of possible official laxity or even connivance followed two gaming raids in Cicero by the prosecutor's office, including one which smashed the county's biggest floating crap game which has operated in open defiance of the law for many months.

"Seize Rocco Fischetti

"This raid also netted one of the crime syndicate's top gambling chiefs, Rocco Fischetti, 55, owner of the crap game whose high stakes furnished a lure for hoodlums and wealthy crap shooters.

"Between the crap game and a handbook raid, a veritable mob of patrons was handed grand jury subpenas. Operators of the two gaming palaces also were subpenaed.

"Frank Ferlic, acting state's attorney, said a pattern of organized syndicate gambling would be presented to the grand jury over a two month period.

"The issuance of subpenas to the 50 patrons of a handbook at 1306 S. Cicero av., Cicero, and 54 crap shooters in the Viaduct lounge, 4612 Cermak rd., Cicero, was the first step in the memory of observers. Usually, patrons are either charged with being inmates of a gaming house or allowed to go free.

"Along with Fischetti, Newey's raiders arrested Gus Liebe, 53, Fischetti's manager of the crap game, and Lester Kruse, 52, sometimes known as Killer Kane, who used to operate Calumet City's infamous syndicate gambling joint, the Owl Club, in happier days.

"The raiders relieved the players in the Viaduct lounge of $35,000, then used sledges to break opn a safe. This yielded another $74,430, which was counted out in Gus Liebe's presence. The money was impounded.

"Smash Down Doors

"The three hoodlums were handed grand jury subpenas and then booked as keepers of a gambling house along with three lesser employes.

"At the handbook, which Newey said he understood was operated by Sam (Mooney) Giancana, a gank chief, 14 persons were charged as keepers. Patrons were released after being handed grand jury subpoenas.

"At the crap game, the raiders used a battering ram mounted on a truck to smash in steel doors.

"Players of the floating crap game have been known to lose as much as $10,000 in a night and a single talbe has involved $100,000 play at a time, Newey said.

"$200,000 a Night

"The floating crap game has functioned with almost miraculous immunity for some 15 years under Liebe's direction, all in Fischetti's behalf, of course. It has gently wafted its way thru a variety of locations in Cook and Lake Counties thru the years.

"On the nights when the dice are hot, more than $200,00 changes hands under Liebe's eye.

"Its quarters at the rear of the Viaduct lounge are air conditioned and comfortably furnished. Liebe, in the past, has repeatedly explained that his type of operation is too big to hide from offkcial observance. Smaller locations just do not produce the 'take' to make it worth while for the crime syndicate."

CG T-18 advised in September, 1961, that LESTER KRUSE has recently brought in from Las Vegas, Nevada, an individual known as [redacted] who was a box man at some of the best gambling casinos in Las Vegas. He advised that [redacted] got into debt gambling in the amount of about $3,000 in Las Vegas and as a result of this was removed from the casinos as a box man. He stated that "[redacted]" will now be working for KRUSE at the J&J Picnic Grove gambling casino located at 159th Street, west of Wolf Road. Informant advised that the box man is the individual who watches the big payoffs of money at gambling casinos to make sure the money count is correct. He is not considered one of the big bosses at the J&J Picnic Grove. He described [redacted] as male, white, age 43-45, short, swarthy and "dumpy", dark hair, full head of hair, heavy beard, Italian, wears snap brim hats.

b6
b7C

CG T-1 advised in November, 1961, that KRUSE has been complaining that gambling is down in both the city and county and that where any operations in connection with gambling are being carried on they are on a "sneak" basis. He advised that the only operation he was aware of insofar as booking horse was the Hilltop Lounge on the south side of Chicago operated by [redacted] b6 b7C

Source stated that KRUSE is interested in [redacted] b7D Source indicated that the "outfit" is very strong in Mc Henry County.

CG T-23 advised in November, 1961, that on November 13, 1961, KRUSE met with GUS LIEBE and [redacted] at the MGM Lounge in Cicero, Illinois, to [redacted] County. The source at this time advised that in connection with gambling, KRUSE is anxious to obtain a new gambling casino and is considering opening one in Chicago in order to avoid the raids from the States Attorney's police. [redacted] KRUSE also has indicated that he would not use the Coral located on the south side of Chicago for gambling. b6 b7C b7D

In November, 1961, CG T-7 advised that on November 19, 1962, [redacted] b7D as all of his employees, including GUS LIEBE, are presently laid off and will move out of the city unless they soon gain employment.

KRUSE apparently expects to start out small and if this operation is successful it will rapidly expand into a large operation.

Source has indicated that KRUSE has considered

[redacted] b7D

KRUSE has indicated that he is soon leaving for Florida for the Christmas holidays and so there will be no attempt to initiate anything immediately. KRUSE has indicated, according to the source, that he is very anxious to get started in some type of gambling operation; however, some members of the "outfit" feel that at present the heat is too great to run the risk of starting up again.

In December, 1961, CG T-18 advised that KRUSE recently stated that most of the horse books are now "on their own" and the horse books in Chicago which are operated are on a sneak basis and without jurisdiction or sanction of the "outfit".

In December, 1961, CG T-18 advised that since the J&J Picnic Grove gambling establishment is closed down, craps and roulette moved to the "Old Homestead" in Antioch, Illinois. He said that the "Chicago Tribune" sent a reporter there and although he was unable to gain entry supplied sufficient heat to close it down. Source stated that shortly after this a large crap game opened closer to Antioch but not at the "Old Homestead". He advised that this new establishment is apparently a closed summer resort which is about seven miles from the Tri-State Tollway on Route 137 or 167.

Source stated that in his opinion there is definitely a connection between the individuals who operated the J&J Picnic Grove, the "Old Homestead" and this new one as several of the same "juice" men can be seen at the game; however, the top men at the J&J Picnic Grove, namely KRUSE and GUS LEIBE, have not been seen at the game.

Source advised that there is a northside taxi driver whose identity he will attempt to establish who runs five or six private cars for the game, driving people from Chicago and the surrounding suburbs by appointment to the game wherever it is located.

Source further advised that since gambling is down in Chicago local crap games are springing up all over and are doing a flourishing business. He advised that due to the local head the "outfit" has not cut themselves in on any of these small games and therefore, the take is great and small craps operators are making good money. All of the games, however, have the sanction of the police district in which they are located.

In December, 1961, CG T-24 advised that the large crap game formerly operated at Antioch, is now located at the Vernon Hills Country Club in Half Day, Illinois. He stated that [redacted] could very well be the [redacted] who had been meeting recently with KRUSE and seems to be a close confederate of KRUSE. b6 b7C

In late December, 1961, CG T-7 advised that he has heard that KRUSE has recently expressed concern because someone identifying themselves as law enforcement officers attempted to get into the old J&J Picnic Grove. A caretaker refused them entry without a warrant; however, these individuals indicated that they would be back. KRUSE was very concerned inasmuch as he advised there is still a lot of gambling equipment stored on the premises where a large crap game formerly was in operation. KRUSE was very concerned over a break-in at that location.

In January, 1962, CG T-23 stated that [redacted] is now running the gambling spot near Half Day, Illinois, and that [redacted] runs the crap table. He further advised that GUS LIEBE and the old figure heads from the other large crap games are not out there but that "top" guys own the game. Source stated he had heard that RALPH PIERCE frequently discusses this game and considers it a good operation.

In late January, 1962, CG T-1 advised that [redacted] (LNU) was formerly associated with LESTER KRUSE and ROCCKO FISCHETTI's operation at the J&J Picnic Grove as well as the Viaduct Lounge. He advised that as a result of [redacted]'s contact with Chicago gamblers they now visit him whenever they are in Miami where [redacted] is reportedly in operation. Source advised that now that the big games are down many of the individuals formerly associated with this operation are in Florida and presumably in contact with [redacted] b6 b7C

In early December, 1962, CG T26 stated that KRUSE was quite anxious to begin his gambling operation anew.

On February 8, 1962, CG T-18 advised that the [redacted] CG T-18 stated he has heard that KRUSE and his associates are more afraid of the "Milwaukee Journal" that they are of the Chicago newspapers in regard to adverse publicity. He added that [redacted] b6 b7C b7D

In late November, 1961, CG T-26 advised that [redacted] was arrested at the Viaduct Lounge on September 6, 1959, in connection with a gambling raid. Both [redacted] and LESLIE KRUSE were arrested on that date by the State Attorney's Police, Cook County, Illinois. He said that [redacted] is also known as [redacted] b6 b7C

Informant added that in connection with the Half Day operation that this operation closed down on a Friday night approximately seven weeks ago. The date of this closing was exactly two weeks prior to LESLIE KRUSE's return to Chicago from Florida.

CG T-1 advised in early March, 1962, that he is in receipt of information that KRUSE is perturbed at ROCCO POTENZO, associate of KRUSEin gambling operations, because

[redacted]

b7D

On March 8, 1962, CG T-26 stated that he has heard that while the Half Day gambling casino was shut down for repairs apparently someone had broken in and stolen some of the equipment which also was being replaced. The establishment reportedly will handle one large crap game and one black jack game. The informant believes it is KRUSE's [redacted]

b6
b7C
b7D

[redacted] from the GIANCANA faction. Informant

further added that he believes that KRUSE has a lot of gamblers and people associated with his various gambling operations at the most and this was costing him money and thus KRUSE feels he must get something going in order to keep these people employed.

CG T-1 advised in March, 1962, that on March 15, 1962, KRUSE left for Florida for about two weeks. He stated that KRUSE has not been present at the game at Half Day, Illinois desiring to stay in the background. Informant said that many followers of KRUSE's establishments are now avid followers of the POTENZO game in Niles, Illinois.

Informant said that it has been his observation at the Half Day establishment that neither [redacted] nor [redacted] are employees at this establishment and that the interior of the farm house is not elaborate or well decorated. [redacted] He described the operation as a small game inasmuch as big games do not use chips at the dice tables.

b6
b7C
b7D

Informant said that he has found no house betting of any type in connection with this establishment and that it is strictly craps and black jack operating from about 8 p.m. until 4 in the morning.

On March 22, 1962, CG T-26 stated that in connection with the Vernon Hills gambling operation located on Route 45 west of Half Day, Illinois, that there is a caretaker present on the gambling establishment at all times. He stated that on March 21, 1962, there were approximately 16 customers during the evening. He said that there are no knobs on the doors leading in and out of the rooms. He stated that the hole where the knob formerly was is apparent to the observer and the doors cannot be opened from the outside. He stated that they use metal bars to secure the doors at this joint. He assumes that there must be a telephone in this establishment although he has not seen it nor does not know the number.

Informant stated that one [redacted] identified to him as a [redacted] is an individual who plays at Vernon Hills and gambles very high stakes at the dice tables. He stated that [redacted] still visits the Vernon Hills Country Club on a daily basis and acts as a "juiceman". He said that [redacted] has been bringing customers to the game. Informant further added that the gambling establishment at Vernon Hills opened on the evening of March 12, 1962.

b6
b7C

Informant added that LESLIE KRUSE and [redacted]

b6
b7C
b7D

In late March, 1962, CG T-1 advised that in connection with the gambling operations at Vernon Hills there has recently been installed a roulette table chiefly for the benefit of lady customers who might accompany their husbands. He said that roulette is popular with the ladies.

He added that the establishment presently has a French chef preparing food for the customers and that it is good food and is free to the customers.

CG T-27 advised on April 11, 1962, that he has recently attended the crap game operating in Half Day, Illinois near the Beefeaters Restaurant and found there were approximately 30 people in attendance and that black jack and roulette were also available to the gamblers. He advised that it appeared to him that [redacted] are the individuals in charge of the game.

b6
b7C

He advised however, that he has recently seen an individual he knows only as BEN whom he described as age 50, 5'10½", and 270 lbs. also in attendance there who is an individual who appears to have some authority over the operation of the game. He stated that the "juiceman" in attendance is [redacted] who formerly operated at the old J&J Picnic Grove establishment. He advised that every indication is that this game at Half Day, Illinois, is growing and shoud become a large operation in the near future. b6 b7C

He advised, however, that ROCCO POTENZO, a lieutenant of SAM GIANCANA, is also running a large crap game in Niles, Illinois. He advised that these operations are apparently running in competition with one another or should one be closed down or the two operations joined it would be one of the biggest crap games in Northern Illinois. He further advised that ROCCO POTENZO's game is located next door or at the back of the Albion Grill at 6548 North Milwaukee Avenue. He advised that the game is generally operated at this location but also has several alternate spots. He advised one of the alternates is in the vicinity of a hospital for the mentally retarded in the area close to Niles, Illinois. He advised that this operation is being run for ROCCO POTENZO by [redacted] another individual who was formerly associated with the J&J Picnic Grove gambling establishment. He advised that it is interesting to note that many of the individuals formerly associated with LESLIE KRUSE and ROCCO FISCHETTI in the big gambling operation are now running smaller operations dispersed over a large area and the bigger named hoodlums are staying in the background, b6 b7C

CG 92-1037
EWA:dkz

Information concerning the
Owl Club, Calumet City

An article appeared in the Hammond Times dated July 23, 1956 entitled "Lohman, 34 Disputes Knock Off Owl Club". This article reflected that Cook County Sheriff's Police smashed hundreds of dollars worth of gambling equipment after they pulled a surprise return in Calumet City's notorious Owl Club. Several arrests were made.

The Owl Club reportedly took in more than $55,000 in profits during eleven months which ended December 1, 1956, a period when it was supposedly closed. This was revealed after Chicago detectives pieced together shreds of records torn up by three syndicate hoodlums. They were the late JAKE "GREASY THUMB" GUZIK, reported finance wizard of the syndicate, MURRAY "THE CAMEL" HUMPHREYS, the syndicate pension, labor and racket boss, and LESTER "KILLER KANE" KRUSE, reportedly the owner of the Owl Club.

Additional information concerning the relationship between KRUSE and the Owl Club appears under the heading Income Tax Returns.

On February 13, 1958, CG T-19 advised SA [redacted] that he had received information that [redacted] b6 b7C

Referral/Consult

Informant further advised that [redacted]

CG 92-1037
EWA:dkz

Information Concerning the
J. and J. Picnic Grove

CG T-20 advised on December 23, 1959 that as a result of the police raid on the Viaduct Lounge, Cicero, Illinois, the gambling establishment run by ROCCO FISHETTI and operated by GUS LIEB took a tremendous financial loss. He advised, however, that the same operation run by the same people has reopened. He said that the new operation is even larger than the one destroyed in Cicero and that FISHETTI has sunk huge sums of money into the new gambling house. He advised that the house itself is an isolated building which formerly housed a restaurant with rooms above. He said that the gambling establishment is just over the county line in Will County. Informant [redacted] b7D [redacted] He advised that the name of the building is the J & J Picnic Grove located on Route 7 West of Orland Park about a mile across the county line in Will County. He advised the building is isolated and has a huge red sign which can easily be seen when one travels West on Route 7 out of Orland Park.

Informant further advised that GUS LIEB, who managed the operation for FISHETTI, has recently become sick and hospitalized, and that LESTER KRUSE is managing the operation in LIEB's absence.

On November 15, 1960, CG T-20 advised that there was a meeting of numerous hoodlums at the J & J Picnic Grove. He stated this meeting took place on the evening that TONY ACCARDO was sentenced in connection with income tax violations in the month of November, 1960. He stated he did not know the identities of any of the hoodlums attending this meeting except one KILLER KANE who runs this gambling establishment with one "BIG JULIE", a political power in Joliet, Illinois. Informant stated that this gambling establishment has everything running in the gambling line such as roulette wheels, crap games, poker, etc.

He stated that [redacted] is in the loan shark business which is handled for him by an individual named [redacted] This loan shark business is conducted at the gambling establishment run by KILLER KANE and [redacted] b6 b7C at the J & J Picnic Grove. He stated that [redacted] remains in the background and [redacted] handles the loan business for him.

CG 92-1037
EWA:dkz

With reference to the J & J Picnic Grove, informant advised that this game is still supervised and operated by GUS LIEB, however, since the TONY ACCARDO trial, LIEB has not shown up at the game and in his absence [redacted] has taken on more of the supervisory functions. He advised that during the ACCARDO trial neither LIEB nor KILLER KANE has shown up at the game.

b6
b7C

Elsewhere under the caption gambling will be found information concerning the J & J Picnic Grove with specific information concerning one [redacted], a box man reportedly hired by LES KRUSE.

CG T-18 advised in July, 1961 that the J & J Picnic Grove is running on a sneak basis only meaning that when enough players have congregated, a game is started. Informant advised that GUS LIEB, who works at the J & J, has had his pay cut in connection with his duties there from $500 a week to $300 a week. He stated that LIEB acts only as a greeter and that ROCCO FISHETTI, LESLIE KRUSE and FRANK LA PORTE, who usually are present, use LIEB as if he were an office boy.

He advised further that ROCCO POTENZO, lieutenant of SAM GIANCANA, [redacted] Informant further advised that KRUSE is considered a "general" in the "outfit" structure and it is their policy now for a lieutenant such as POTENZO to report to his nearest general in connection with gambling activities, it being noted that POTENZO and KRUSE both reside in Skokie, Illinois.

b7D

On July 6, 1961, CG T-1 advised that LESTER KRUSE is considered higher in structure than FRANK LA PORTE in the operation of the J & J. He stated that ROCCO FISHETTI and SAM GIANCANA had nominated KRUSE to be in charge of the J & J Picnic Grove gambling casino.

On September 21, 1961, CG T-7 was contacted and advised as follows:

CG 92-1037
EWA:dkz

He was displayed a diagram drawing of the J & J Picnic Grove gambling casino and was asked to make comments regarding the floor plan and layout of this gambling casino located at 159th Street near Wolf Road. He advised in connection with the gambling casino that the entrance to the casino is through a double door arrangement meaning there are two sets of doors. He stated that a guard at the first door shakes down each individual to see if they have a gun or are known gamblers at the casino. If the first individual at the first door is satisfied regarding the customer he okays entrance through a second set of doors into the gambling casino. He stated that to the South end of the building in the gambling section is the large dice table where the big dice game takes place on Saturday evenings. He stated there are two other dice tables in the gambling section of the casino as well as two roulette tables and two card tables. Located

[redacted] b7D

advised that officials of the gambling casino usually enter the casino grounds from 160th Street to the southwest of the casino where there is a road leading to the south end of the gambling casino building.

He stated that in the dining room section of the casino there is a bar adjacent to the wall of the gambling section. He stated this bar is now unused for serving liquor but on occasion is used as a display area for "hot" merchandise, such as cashmere sweaters, men's sports shirts, lady's fur coats and sometimes diamonds and jewelry. He stated also at the west end of the dining room section is an additional bar which is unused for the serving of liquor. To the east end of the dining room area is the kitchen area wherein one (FNU) [redacted] the chef, serves excellent food to the casino patrons. b6 b7C He stated that there are approximately seven dining tables in the dining room section of the casino. He said that the

individuals who take care of the parking lot located to the south and east of the casino where gambling patrons park their cars are probably ex-convicts who have been so employed at the casino for years and are experts in identifying individuals wanting to patronize the casino.

He advised that in regard to the [redacted]

He advised that the following individuals have a piece of the bank at the J & J Picnic Grove gambling casino:

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ROCCO FISCHETTI
TONY ACCARDO
SAM GIANCANA
GUS ALEX
LESLIE KRUSE
[redacted]
FRANK LA PORTE
FRANK CURRY

He advised that [redacted] whom he believes represents TONY ACCARDO's interests at the gambling casino, is as high in stature at the gambling casino as LESLIE KRUSE as far as policy and the operation of the casino.

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He stated that an individual known to him only as RAMEY was present at the J & J Picnic Grove gambling casino during his last visit there on a Saturday night. He stated that RAMEY was formerly a close associate of GUS ALEX in connection with gambling operations at the Viaduct Lounge, Cicero, Illinois. He stated that it was his understanding that RAMEY somehow incurred the displeasure of GUS ALEX for something he did and no longer is employed by ALEX.

On September 28, 1961, CG T-18 advised that one [redacted] [redacted] of Chicago Heights is in charge of all the bookmaking activity in that area. He stated that [redacted] "an outfit guy" owns a tavern in [redacted] and is a big rough individual who is treated with kid gloves by all of the "outfit" individuals. He stated that [redacted] is a close friend and associate of FRANCIS CURRY and FRANK LA PORTE of the J & J gambling casino. Informant indicated that [redacted] visits the

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MGM Lounge on Cicero Avenue about 6 a.m. on Sunday mornings for crap games and [redacted]

He stated that [redacted] meets KRUSE at the MGM on occasions when he does not visit the J & J. He stated he has observed [redacted] give envelopes to "outfit" individuals at the J & J which he believed to be money obtained in gambling activities in Chicago Heights. b6 b7C b7D

He described [redacted] as white, male, 190 pounds, 6', well dressed, age [redacted]

On September 25, 1961, CG T-1 advised that on a recent Saturday night before the J & J was closed down, LESLIE KRUSE had attended a wedding of (FNU) [redacted] at the Gary Hotel, Gary, Indiana. He stated that KRUSE was driven to the wedding by GUS LIEBE using the car owned by [redacted] b6 b7C

He advised that [redacted] who acts as a floor man at the J & J, had been raised from $35 a day to $50 a day for his employment. He indicated that [redacted] lives near GUS LIEBE in the area of Sheridan and Addison Street, Chicago.

V. LEGITIMATE ENTERPRISES

Nu Way Beer Coil Service; Nu Way Plumbing Company; and Nu Way Food Service Equipment Company

An undated copy of a report from Patrolmen [redacted] to their commanding officer, Special Assignment Unit, Chicago Police Department, contained the following information concerning LESTER KRUSE, 5206 Oakton Street, Skokie, Illinois, telephone ORchard 5-1123: b6 b7C

Mr. KRUSE and [redacted], residing at the above address. Previous address given as 4300 Marine Drive, Chicago.

LES KRUSE is currently secretary and treasurer of the Nu Way Beer Coil Company at 655 North Kedzie Avenue, which is an Illinois corporation found July 17, 1937 with a capital stock of one hundred shares of no par value. HENRY ORTH is

president, a man 50 years of age residing at 2480 Estes Avenue. At one time ORTH was a plumber and also had a tavern with one [redacted] at [redacted] Avenue, where a handbook was operated. He had originally been a collector for a "[redacted] who ran a gambling place in Skokie. The address of 4300 Marine Drive, where KRUSE formerly resided, is at this time the present dwelling place of GUS ALEX and EDWARD VOGEL. LES KRUSE is also an officer of the Nu Way Plumbing Company, Abbott Beer Coil Cleaners and the ABC Beer Coil Cleaners, all at the same address. b6 b7C

He was formerly publisher of the Consensus Publishing Company of St. Louis, Missouri, a racing sheet. In 1942, he was convicted with A. A. KRUSE on a conspiracy charge to evade payment of income tax and was fined $1,000.

LESTER KRUSE, alias KILLER KANE, is well connected with the outfit and has been as early as 1949. At that time, KRUSE, GUS ALEX, TONY ACCARDO and RALPH PIERCE were observed entering an office building at 222 North Clark Street. GUS ALEX has also been seen in the offices of JAMES RAGEN, shotgun victim, a short time previous to RAGEN's death. In 1937, KRUSE was arrested with RALPH PIERCE in connection with the murder of ESTELLE CAREY. RALPH PIERCE and LES KRUSE are very intimate acquaintances. In 1953 or 1954, KRUSE was operating a club called "Les Kane's Supper Club" in Miami, Florida. It is rumored that KANE was protecting RALPH PIERCE's interests who in turn supposedly was protecting PAUL RICCA's interests. Another intimate friend of KRUSE and PIERCE is a well known hoodlum [redacted] formerly of Los Angeles, California, but now in Miami. [redacted] a gambler, hangs around [redacted] Place at [redacted] in Miami, Florida.

Another friend of KRUSE, one RICHARD BURNS, alias of RICCO BURNS, DICK BURNS (Believed to be RICHARD BERNAS) is a cousin of ROCCO FISCHETTI and AL CAPONE and supposedly stores gambling equipment for the outfit somewhere in Chicago. KRUSE can well be included in the outfit in the top level bracket and more than likely is taking his orders from RALPH PIERCE. b6 b7C

LES KRUSE is connected in the Calumet City area and makes his headquarters in that area at the Ritz Cocktail Lounge at 107 Plummer Street, Calumet City, Illinois, [redacted] by [redacted].

CG 92-1037
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The records of Dun and Bradstreet were checked on August 16, 1946 and the following information concerning the Nu Way Beer Coil Service was ascertained:

The company has an address of 655 North Kedzie Avenue, Chicago, and its officers are HENRY ORTH, President, LESTER KRUSE, Treasurer, and [redacted]. The corporation succeeded the individual business run by HENRY ORTH. ORTH also is interested in the T. W. Realty and Building Corporation, is President of the Nu Way Plumbing Service, and owns a building at 7129 North Western Avenue. KRUSE is married and was supposedly previously employed in this line of work. b6 b7C

On October 25, 1960, CG T-17 advised that while at the J & J Picnic Grove where he had gone to gamble, conversation with the various players at this game indicated that LES KANE and the "syndicate" owned the largest beer coil cleaning business in Chicago. He did not know the name of the business but said it could be determined by checking the Yellow Pages of the telephone book.

The Chicago Daily Tribune, 3 Star Sports Final edition, issue of February 14, 1961, page 8, column 3, contained an article entitled "Probe School Jobs Done by Hood Firms", "2 Companies Do Big Business in Plumbing" by ROBERT WIEDRICH.

"An investigation of two hoodlum-dominated firms that have done more than 1 million dollars in business with the school board was ordered yesterday by Benjamin C. Willis, school superintendent.

"Willis called on auditors of Arthur Young & Co., 1 N. La Salle st., an accounting firm, to check job orders and records of payment to the Nu-Way Plumbing Service, Inc., and Nu-Way Food Service Equipment, Inc., both at 655 N. Kedzie av.

"He did so after investigation disclosed the two companies are dominated by Leslie 'Killer Kane' Kruse, 54, a crime syndicate gambling overlord and personal friend of Tony Accardo, semi-retired gang chief.

"Want More Business

CG 92-1037
EWA:dkz

"Investigators have determined that the two firms have been expanding their bid for a larger share of the plumbing and lunchroom equipment business under the board of education's 200 million dollar school building program.

"In addition, the plumbing firm has won other large county, city, and state contracts and intends to seek jobs under the sanitary district's expansion program.

"A company official said the plumbing company also is seeking a share of the millions to be spent on new police stations in the police re-organization program.

"Willis' investigation of the work done by the companies for the school board and the manner in which the work was awarded to them was matched by a police investigation of the role Kruse plays in the plumbing industry.

"Hoods Invest in Business

"Detectives of the anti-hoodlum detail said Kruse's part ownership of Nu-Way Plumbing was the first indication they had that crime syndicate money was being invested in this field.

"In recent months, federal and local authorities have been investigating the investment of large sums in legitimate business fields by crime syndicate hoodlums.

"Willis said he has ordered Edwin A. Lederer, associate superintendent of schools in charge of operations, to compile a list of every job, awarded by contract or otherwise, performed for the school board by the two companies in recent years.

"Willis said he wants to determine if the plumbing company has been receiving a greater number of the non-contract plumbing jobs - so-called time and material jobs - than other plumbing concerns. These jobs are doled out by board employees without prior approval of the school trustees being required.

"Runs Dice Game

CG 92-1037
EWA:dkz

"Kruse, often arrested by police for questioning about his crime syndicate gambling activity and for questioning in several murders, is co-proprietor of the crime syndicate's most bizarre gambling venture, the 'floating crap game' in which the dice roll for as much as $100,000 a night.

"He formerly was one of the managers of the Owl Club in Calumet City, operated by Accardo, who recently was convicted in federal District court of income tax evasion.

"The Owl club, until it closed, netted millions for Accardo and the crime syndicate. In 1948 alone, it took in $1,800,900 in horse bets while another $300,000 was wagered at its craps and roulette tables.

"Kruse's record of arrests, along with police 'mug' photographs, were ordered destroyed in 1948 by the late Police Commissioner John Prendergast.

"Questioned in Murders

"Investigators, however, have been able to determine that Kruse has been questioned by police in several gangland murders, including the torture murder in 1943 of Estelle Carey, a dice girl, and the slaying in 1956 of Louis Greenberg, onetime reputed financial adviser to the Capone mob.

"It was during this arrest by detectives of the old Scotland Yard detail that Kruse and two companions, the late Jake Guzik, financial wizard of the syndicate, and Murray (The Camel) Humphreys, labor rackets boss, made a futile try to destroy financial records of the Owl club and evidence that the crime syndicate was setting up a phony veterans club as a front for another gambling operation.

"Kruse's most recent arrest was Sept. 5, 1959, when he was picked up with Rocco Fischetti, another syndicate gambling boss, and Gus Liebe, manager of the floating crap game.

"The men were arrested in a raid by state's attorney's police on the crap game, then operating in the Viaduct lounge, 4612 Cermak rd., Cicero. About $89,000 was seized by Paul Newey, then chief investigator for the state's attorney's office.

CG 92-1037
EWA:dkz

"Never Been Convicted

"Despite the destruction of Kruse's police record, police also know he was picked up by detectives for questioning about the 1947 murder of John E. Golding, a reputed hijacker of crime syndicate slot machines.

"In all of these arrests, Kruse was freed. He never has been convicted.

"Kruse and his wife own 50 per cent of the stock in the two companies doing business with the school board. Last year, the firms received at least $878,493 in school business. This included $759,585 in plumbing jobs and $118,908 in lunchroom equipment contracts.

In 1959, the companies earned several hundred thousand dollars more from the school board. A record of this business is being compiled on Willis' orders.

"Henry Orth, 55, of 2480 Estes av., president of both firms, owns the remaining 50 per cent of the stock along with his wife. He said government business accounted for about 40 per cent of the firms' annual operations.

"Teachers College Work

"Nu-Way Plumbing received its biggest school job to date last year - a $328,237 job on the north side branch of the Chicago Teachers College. Nu-Way Food Service Equipment, Inc., has the $82,067 contract for outfitting lunchrooms there.

"Willis noted that more than $200,000 of the work done by Nu-Way for the school board in 1960 was in small repair and maintenance jobs, a majority costing under $300. Some were as small as $30.

"While some were obtained on a package bid basis, a majority did not require bids or the prior approval of the school board members.

"This was done under a policy authorizing purchases or work job orders under $500 on an emergency basis without the formality of a board report being approved at a trustee meeting.

CG 92-1037
EWA:dkz

"Willis said he wants to determine why all but 11 of the jobs Nu-Way Plumbing obtained in 1960 were of the small variety.

"Change Firm's Name

"Kruse and Orth formed their partnership as Nu-Way Beer Coil Service, Inc., on July 16, 1938. On Sept. 22, 1959, this name was changed to Nu-Way Food Service Equipment, Inc. Orth is president, Kruse is Secretary-Treasurer, and Mrs. Mary Orth and Mrs. Elsie Kruse are directors.

"Nu-Way Plumbing was incorporated Nov. 27, 1944. Its officers are Orth, president; Mrs. Orth, secretary; and Kruse, treasurer.

"Kruse, whose home is at 5206 Oakton st., Skokie, was sought unsuccessfully as a witness in Accardo's tax trial along with Frank La Porte, crime syndicate gambling chief for southern Cook county and Will county.

The Chicago American, Diamond Final edition, issue of February 14, 1961, page 9, column 1, contained an article entitled "Sift Hoodlum Firm's City Job Deals".

"John F. Ward, city purchasing agent, has started an investigation to determine how many city contracts have been awarded to two hoodlum dominated firms here.

"School Supt. Benjamin C. Willis earlier disclosed that the firms have done more than 1 million dollars in business with the Chicago school board.

"Detail All Jobs

"Willis has an investigation of his own under way. It will detail all the jobs performed by the firms. The county is expected to follow with a probe of its own.

"The two firms - the Nu-Way Plumbing Service, Inc., and the Nu-Way Food Service Equipment, Inc., both at 655 N. Kedzie av. - according to police officials, are both dominated by Leslie (Killer Kane) Kruse, 54, of Skokie.

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EWA:dkz

"He is a close friend of Tony Accardo, semi-retired gang chieftain, and is an overlord of syndicate gambling.

"Low Bidder

"Ward said he knows of only one contract awarded to the Nu-Way Plumbing Service. The company was the low bidder in 1959 for the plumbing contract in a municipal tuberculosis sanitarium clinic.

"At the time the contract was awarded, Ward said, officers of six other firms bidding for the job complained that the Nu-Way firm was controled by a hoodlum.

"Ward said"

'We accepted the bid with Nu-Way because we believed that a man is innocent until proven guilty. The city had no intention of discriminating against the firm because of rumors by competitors.'

"He said he could not say how much money the contract involved nor what work it entailed.

"Credit Firm's Report

"When the rumors first came to his attention, he said, a check was made with a credit and financial investigation firm.

"Ward said the firm reported that 'one or two officers' with Nu-Way had been picked up on criminal investigations by Chicago police. However, the men had not been charged with a crime and later were released.

"In reference to the board of education inquiry, Willis said the two firms have been seeking a larger share of school business for the installation of plumbing and lunchroom equipment.

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EWA:dkz

"Seek Police Contract

"The plumbing company is seeking contracts under the expansion program of the sanitary district and the planned construction of new police station facilities.

"Kruse and his wife, Elise, own 50 per cent of the stock in each company according to police officials. Henry Orth, 55, of 2480 Estes av., president of both companies, owns the remainder of the stock.

On July 6, 1961, CG T-1 advised that he had received information to the effect that LES KRUSE was the chief stockholder of the Nu-Way Plumbing Company which company is doing a lot of contract work for the Chicago school board through (FNU) [redacted] who is the [redacted] for Chicago. He said that he has heard that KRUSE feels that his plumbers are doing very poor work and do not have the skill required for the contracts, and are, therefore, getting a lot of complaints concerning their work.

In July, 1961, CG T-18 advised that LESLIE KRUSE has a plumbing and air conditioning contract for his company, the Nu-Way Plumbing Company, at the First Lutheran Church, which at that time was being built at Sunset and Willow Roads, Deerfield, Illinois.

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CG T-21, an organization conducting commercial credit investigations in Chicago, furnished the following information on October 5, 1961 concerning the captioned companies:

The Nu Way Food Service Equipment Company of 655 North Kedzie Avenue are manufacturers and installers of food service equipment, having started the business in 1938. Their sales are estimated at $600,000.00, their worth at $57,192.00 and they employ 45 persons.

The officers are HENRY ORTH, President, [redacted] Secretary, LESLIE E. KRUSE, Treasurer, [redacted] Vice President.

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Their debt exceeds their net worth and the company has a heavy financial condition. Substantial losses have been sustained in the last two years due to a change in operation. Much difficulty is encountered in the collection of receivables.

The company auditor is [redacted] and Company, CPA, 77 West Washington, Chicago, Illinois, and their notes receivable are discounted through the Merchants National Bank.

Under Accounts Payable, it is noted that the company owes L. KRUSE $34,500.00, which is a demand note and considered current.

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Informant advised that it has been reported that LESLIE KRUSE and [redacted] have offered their stock interests in this corporation for sale. However, this is not confirmed by outside sources. ORTH stated that when KRUSE leaves, his office will be filled by one [redacted]

At a local bank, balances ranging from good four to moderate five figures are carried in a satisfactory account.

Under Operation, informant advised that instant company manufactures in the amount of 35% and acts as an installation contractor for (65%) food service equipment, such as refrigerators, stoves, etc. The company does work for public institutions and schools on contract terms. It has recently completed a number of jobs, each valued in the vicinity of $50,000.00, for various local institutions. As of August 25, 1961, the company had work in progress totalling about $200,000.00 with principal jobs as follows:

A $45,000.00 job in St. Louis, Missouri for a public school. The company rents space in a one-story brick building at 655 North Kedzie and occupied space measures about 100 by 125 feet.

This company was chartered in Illinois on July 16, 1958 with authorized capital of 500 shares, with 300 shares being issued for $30,000.00, and this company

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succeeded until the business started by HENRY ORTH in 1935. The paid in capital is $30,000.00. The name was changed in September, 1959 from Nu Way Beer Coil Service, Incorporated to its present name by charter amendment.

Nu Way Plumbing Service, Incorporated was chartered by ORTH and KRUSE on November 27, 1944 with authorized capital of 200 shares of no par value stock and this company furnished plumbing service mostly on installation of the food service phase of their work. The net worth of the Nu Way Plumbing Service as of December 8, 1959 was estaimated at $100,000.00.

Nu Way Plumbing was started in 1933 by ORTH, at which time the property at 655 Kedzie was purchased and comprised three lots. During the past year a new building was added. Title to this real estate was placed in trust in 1944 and it was held by the La Salle National Bank as trustee under Trust Number 3843.

ORTH was born in 1908 in the United States and is married. He is reported to have been variously employed until 1933 and is stated to have a half interest in the Nu Way Food Service Company. He devotes all of his time to his businesses.

[redacted] and Secretary of Nu Way Plumbing Service, Incorporated, is not reported active in this business. KRUSE was born in Chicago in 1903 and is married. His residence is given as Skokie, Illinois and his early antecedents have not been established. b6 b7C

Records of the United States District Court show LESLIE C. KRUSE, with others, charged with conspiracy to violate Communications Act of 1954, using unauthorized wireless apparatus in connection with Club 81 at 81 West Randolph Street. An indictment dated May 6, 1948 (Number 32227) was quashed on November 25, 1940 on the ground that a special attorney was not qualified to appear before the grand jury.

In December, 1940, an injunction was obtained by the Attorney General of Illinois in Circuit Court,

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Belleville, Illinois, against some 1400 persons, including LESLIE KRUSE, on complaint of conspiracy to commit public nuisance alleged to consist of violations of the gambling laws, but in October, 1942, this injunction was reversed by the Illinois Appellate Court.

[redacted] age about [redacted] is not active in this company.

As of August, 1961, it is indicated that LESLIE KRUSE and [redacted] continue to hold their offices in this company; however, they are reportedly ready to leave shortly and their stock is offered for sale. KRUSE's replacement, [redacted], is a long time employee of this concern. b6 b7C

Concerning the Nu Way Plumbing Service, Incorporated, CG T-21 advised that on August 25, 1961, HENRY ORTH stated that LESLIE KRUSE is no longer with this corporation. His position as treasurer has been taken over by [redacted] who is about [redacted] years of age. [redacted] has been employed by this company for the last 12 years as an accountant.

ORTH said that sales are averaging about a million dollars per year with operations on a break-even basis. The conditions of the firm are as follows, according to ORTH:

Cash	$50,000.00
Accounts Receivable	200,000.00
Fixtures and Equipment	125,000.00
Accounts Payable	50,000.00

Informant advised that as of August 30, 1961, Nu Way Plumbing has maintained an account at a local bank since March 1, 1954. Balances average in the low five figures.

A check of the Certified List of Domestic and Foreign Corporations, which was compiled by the Secretary

of State, State of Illinois, indicates the following variations in the officers of the above companies from information previously set forth:

In 1953, the registered agent for Nu Way Plumbing Service, Incorporated, was listed as [redacted] Avenue, Chicago, which was also the listed address for this company. As of 1959, this company's address was listed as [redacted] Chicago, which was also the address of its registered agent, [redacted]

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Nu-Way Plumbing and Heating Company

[redacted]

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HENRY EMIL ORTH, President, Nu-Way Plumbing and Heating Service, 655 North Kedzie, who resides at 2480 Estes, Chicago, stated that he first met LESTER KRUSE in 1924 in Skokie, Illinois, after ORTH came to this country from Germany. ORTH's father died when he was 13 years old and took over his father's plumbing business after becoming an apprentice plumber at the age of 14.

ORTH advised that KRUSE was the secretary of this company until three or four months ago when he retired and that [redacted] took his position although he did not buy KRUSE's interest in the company. ORTH said that KRUSE owns between $100,000 and $150,000 in stock in the company which has been placed in trust pending his sale of the stock. The location of the trust is unknown to ORTH.

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CG 92-1037
EWA:dkz

ORTH said that KRUSE has been his partner in this business from the very beginning which was sometime in the late 1930's. ORTH said that he owns the other fifty per cent of the stock in the company and acts as the president.

ORTH exhibited a friendly attitude and said that he was willing to furnish any information concerning KRUSE which was in his possession although he said that he does not know too much about him other than that he is a close personal friend and stated that in his opinion law enforcement has KRUSE "all wrong" that he has never been convicted of a crime, and is a respectable family man. He further stated that KRUSE's father is RICHARD, now deceased, and no[redacted] as has been commonly thought in the past. He made this specific remark because in the 1940's Chicago newspapers printed tha[redacted] was convicted of income tax evasion and mentioned that he was the father of LESTER KRUSE.

He said that he is not acquainted with KRUSE's associates though he has been to his home many times where he has only seen KRUSE's family and they all appeared to be extremely pleasant and law abiding people. He stated that LESTER is not active in the business now and is retired. He only sees KRUSE about once a week on a social basis.

When asked what KRUSE was retired from ORTH said he did not know exactly but that [redacted] owned a number of farms and other real estate in the northwestern section of Chicago and Cook County. He stated that [redacted] at one time owned all the property bordering on [redacted] Avenue between [redacted] Avenues. He stated that the [redacted]s sold most of this property within the past ten years. ORTH said that because of this KRUSE has had no shortage of finances through the years. b6 b7C

ORTH also indicated that KRUSE has been slowing down his business pace because of poor health due to a high cholesterol content in his blood and also another blood disease, the identity of which is not known to ORTH.

CG 92-1037
EWA:dkz

ORTH advised that KRUSE never discusses any other business with him than Nu-Way business and is extremely doubtful that KRUSE is mixed up with hoodlums. It was suggested to ORTH that if this be the case ORTH should have no hesitation about discussing KRUSE with the FBI and ORTH was in agreement with this suggestion. ORTH later on stated, however, that though he knows nothing wrong about KRUSE that even if he did he probably would not say anything because they are such good friends.

ORTH advised further that Nu-Way bought out the ABC and the Abbott Beer Coil Cleaning Companies to obtain a top listing in the phone book. Nu-Way formerly did a great deal of this type of work but now only do a small degree of beer coil cleaning compared with previous years. He stated that the Nu-Way Beer Coil Cleaning Division of Nu-Way has now been placed under the Nu-Way Food Service Corporation which is located at this same address and which has the same officers as the Plumbing and Heating Service company.

He said that business in general is failing because of the high degree of competition and due to the fact that labor is so expensive that they are unable to make a decent profit anymore. He said that they used to specialize in light guage metal (24 guage) and did a lot of work for bars and cocktail lounges. These people did not pay promptly so he switched his operation to heavy guage work (14 guage metal). In this type of work Nu-Way fabricated kitchens and similar work but this too became so competitive and because of the fact that their laborers were generally castoffs from someone else's business they began losing money and are just about ready to close down this phase of their operation. ORTH advised that newspaper publicity over a year ago regarding Nu-Way hurt their business considerably, and that it is now much more difficult to obtain small contracts. He said they lost $8,000.00 on a contract at the Chicago Teachers College which was mentioned in this newspaper article so he felt, therefore, there could not have been too much dishonesty involved. He said that the only criticism he could detect in this article regarding Nu-Way was the fact that KRUSE is an employee and he personally does not believe that KRUSE is as evil as he is purported to be.

CG 92-1037
EWA:dkz

ORTH said that when he and KRUSE went into business together, they checked each other's background, and ORTH unsuccessfully attempted to locate a Hill's credit report rating in his desk which he said reflected that KRUSE was never arrested or convicted and therefore was perfectly "clean" and capable of representing a reputable business.

ORTH said he has met GUS ALEX at a restaurant years ago and in fact has been told that he looks like ALEX. He said further that he was contacted in the past by MURRAY HUMPHREYS regarding the beer coil business and also has seen him at the same restaurant with ALEX. He believes that this restaurant was the old St. Hubert's Grill on Federal Street in Chicago.

In early December, 1961, CG T-18 advised he heard that KRUSE was called back from Florida specifically to handle some very important business. KRUSE reportedly [redacted]

In late December, 1961, CG T-1 advised that KRUSE was very displeased [redacted] b7D

[redacted] Source feels that KRUSE and Nu-Way are in very well politically in the suburbs.

CG T-1 advised in March, 1962, that recently KRUSE [redacted] b6 b7C b7D

CG 92-1037
EWA:dkz

[redacted] b7D

On March 22, and April 5, 1962, SAs JOHN H. WILMES and [redacted] obtained the following license numbers from the parking lot at the rear of the Nu-Way Plumbing Company located at 655 North Kedzie Avenue, Chicago. It is believed that these license numbers are registered to cars belonging to employees of this company:

[redacted] (listed to [redacted], Chicago, Illinois) b6 b7C

The following investigation was conducted by SA [redacted] on April 18 and 19, 1962, at the University of Illinois:

AT URBANA, ILLINOIS

The records of the University of Illinois reflect the following:

Bids for construction are advertised in a trade newspaper, both local newspapers and a Chicago newspaper. Ten days must elapse between the first and last publications and one publication between the first and last publications.

Section 15 (d) of Drafting and Execution of University Contracts, under Organization and Procedure, University of Illinois, provides that:

"Contracts for construction work shall be awarded on the basis of sealed bids obtained by Physical Plant Department and opened in the presence of the Secretary and the Comptroller of the Board of Trustees, or their respective representatives."

CG 92-1037
EWA:dkz

Architectural firms are employed to draw up the specifications of the construction and this is done prior to the letting of the bids.

[redacted] University of Illinois, is responsible for supervising and examining all projects. He has a staff of architects who are assigned to specific projects.

Nu-Way Plumbing Service, Inc. received the following contracts:

Date	Amount	Project
5-17-61	$394,000	Pennsylvania Avenue Residence Halls
11-28-61	$99,913	Burnside Laboratory
8-10-61	$14,197	Sanitary Sewers, Burnside Laboratory
8-10-61	$14,197	Sanitary Sewers, Pennsylvania Avenue Residence Halls
8-10-61	$4,213	Plumbing in underground steam tunnel, Pennsylvania Avenue Residence Halls

b6
b7C

The [redacted] for the Burnside Laboratory Project is [redacted], employed by the U of I, [redacted]. The architectural firm for the Burnside Laboratory project was GLENN FRAZIER and Associates, 104 West University, Urbana, Illinois.

The [redacted] for the Pennsylvania Avenue Residence Halls project is [redacted] employed by the U of I, [redacted]. The architectural firm was Fugard, Burt, Wilkinson and Orth, Chicago, Illinois.

Nu-Way unsuccessfully bid on the following U of I projects in the last one and one half years:

CG 92-1037
EWA:dkz

Project	Nu-Way Bid	Low Bid
Physical Plant	Unknown	Unknown
Hott Memorial Center	$17,777	$12,112
Student Services Building	$54,900	$42,500
Central Receiving	$9,493	$8,200
Plant Science Building	$369,300	$331,212
"Heating and Refrigeration" (Plumbing)	$184,000	$153,188
State No. 2 Physics Building	$98,550	$96,500

Bids on the University of Illinois Extension Project at Harrison and Halsted Streets, Chicago, Illinois, will be requested in August, 1962.

The registered agent of Nu-Way is [redacted] Chicago, Illinois, who is the [redacted] and also the [redacted] b6 b7C

An article in the "Chicago Daily Tribune", dated February 14, 1961, refers to subject and ORTH as co-owners of Nu-Way and subject is described as a "Crime Syndicate Gambling Overlord and personal friend of TONY ACCARDO, semi-retired gang chief."

ORTH and subject joined as partners in 1938, forming Nu-Way Beer Coil Service and changed the name to Nu-Way Food Service Equipment, Inc., in 1959. The address was listed as 655 North Kedzie, Chicago, Illinois.

CG 92-1037
EWA:dkz

The person to subpoena for pertinent records concerning Nu-Way in addition to KRUSE would be HENRY EMIL ORTH, President, 655 North Kedzie, Chicago, Illinois.

Flamingo Motel
Chicago, Illinois

In June, 1961, CG T-1 stated that the Flamingo Motel, Chicago, is run by one MANNIE SKAR, who owns the Skar Construction Company in Chicago. He stated that SKAR is a front man and direct representative of ROCCO FISCHETTI in the operation of the motel. Informant further advised [redacted] Informant added that prostitutes operate at the bar of this motel and that FISCHETTI is very fond of MANNIE SKAR.

b7D

Stardust Gambling Casino
Las Vegas, Nevada

CG T-7 advised in June, 1961, that in connection with the profits from the Stardust Casino, [redacted]

Peter Epsteen Pontiac Agency
Chicago, Illinois

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b7C
b7D

In December, 1961, Chicago T-7 advised that the [redacted]

Transcontinental Investment Company

CG T-18 advised in July, 1961 that [redacted]

CG 92-1037
EWA:dkz

[redacted] b7D

the Chicago area, but believed that the home office of this company was in New York.

VI. PLACES OF AMUSEMENT AND HANGOUTS

As has been pointed out elsewhere in this report, LESLIE KRUSE spends a great deal of time at the J & J Picnic Grove.

CG T-7, on July 6, 1961, advised that in connection with PETER EPSTEIN's Pontiac Agency in Skokie, Illinois, which has offices located on Lincoln Avenue, that this is frequently a meeting place of such individuals as GUS ALEX, ROCCO FISCHETTI, ROCCO POTENZO, GUS LIEBE, LESTER KRUSE and sometimes [redacted] when he is in town. Informant advised that the offices at the Epstein Car Agency are [redacted] b6 b7C b7D

On August 22, 1961, Officer [redacted] Intelligence Unit, Chicago Police Department, furnished information that during the latter part of July, 1961, LESTER KRUSE was observed at the parking lot located at the northeast corner of Clark and Lake Streets in Chicago. Subsequently, KRUSE was observed entering the following places: b6 b7C

V L & A
66 East Madison
Chicago

[redacted]
Chicago

CG 92-1037
EWA:dkz

Pittsfield Building
55 East Washington
Chicago

[redacted] said that KRUSE entered the Pittsfield Building dining room at about 12:30 p.m., at which time KRUSE apparently "made" the surveillance and immediately departed from the building. [redacted] was of the opinion that KRUSE was apparently meeting other Chicago hoodlums at the Pittsfield Building dining room. It is herein noted that the restaurant located in the basement of the Pittsfield Building, operated by [redacted] has been a long time meeting place for hoodlums and they frequently hold meetings there on a comparatively large scale.

b6
b7C

CG T-9 advised during the early part of 1961 that LES KRUSE, [redacted] and MURRAY HUMPHREYS had dinner in January, 1961 at the St. Huberts Old English Grill located in the Lake Shore Hotel, 181 East Lake Short Drive.

Informant advised that KRUSE and HUMPHREYS have apparently been associated with each other for many years.

b6
b7C

CG T-18 advised in March, 1961 that MURRAY HUMPHREYS occasionally "holds court" at the Cart Restaurant located at Wabash and Harrison Streets, Chicago. He stated this restaurant is owned by HUMPHREYS and is fronted for him by one [redacted] He said that HUMPHREYS would sit at a round table, one of only a few round tables in the restaurant, located in the northeast corner of the restaurant. Informant advised that numerous individuals, such as LESTER KRUSE, would come to the restaurant and go to HUMPHREYS' table where short discussions were had with him. Informant felt that this is possibly one of the meeting places between MURRAY HUMPHREYS and other top hoodlums in the Chicago area.

CG 92-1037
EWA:dkz

In early January, 1962, Chicago T-1 advised that KRUSE spent last

On January 29, 1962, Chicago T-23 advised that KRUSE occasionally has lunch at Mike Fish's Restaurant in Chicago. Informant added that KRUSE often meets with other members of "the outfit" at Fish's for lunch.

In January, 1962, Chicago T-18 advised that KRUSE occasionally has dinner in the evening at Binyon's Restaurant on Plymouth Court with RALPH PIERCE. Informant further advised that on Wednesday, January 24, 1962, KRUSE was

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b7C
b7D

VII. TRAVEL

CG T-7 advised during the spring of 1961 that during the income tax trial of ANTHONY J. ACCARDO, it was

CG 92-1037
EWA:dkz

[redacted] b7D

CG T-1 advised on February 16, 1961, that during the ANTHONY J. ACCARDO income tax trial, KRUSE and [redacted] b7D

On July 27, 1961, CG T-1 furnished information [redacted] b6 b7C b7D

CG T-7 advised on July 23, 1961 that LESLIE KRUSE was extremely nervous over the [redacted] b7D is unknown to the informant.

It is herein noted that under the caption, "Personal History and Background", subcaption, "Present Residences," KRUSE's residence at Lake Worth, Florida is discussed at considerable length.

On December 1, 1961, Chicago T-7 advised that on Monday, December 4, 1961, KRUSE expected to leave for Lakeworth, Florida, where he would stay until after the holidays. KRUSE indicated [redacted] b6 b7C b7D

CG 92-1037
EWA:dkz

On December 4, 1961, Chicago T-18 stated that KRUSE left on this date via Northwest Airlines jet for Miami, Florida, on a flight leaving at 10:50 a.m. He reported that

On December 8, 1961, Chicago T-24 related that KRUSE left for Florida at 10:15 a.m. on December 4, 1961, via Delta Airlines. b7D

In late January, 1962, Chicago T-18 advised that KRUSE was supposed to return to Chicago on January 21, 1962,

VIII. ATTORNEYS UTILIZED BY LESLIE KRUSE

CG T-19, another governmental agency, furnished information during the summer of 1961, indicating that

Referral/Consult

During the course of another official investigation conducted by the FBI, attempts were made to interview LESLIE KRUSE at his residence at 5206 West Oakton Street, Skokie, Illinois, on June 15 and June 16, 1961 by SA RALPH R. HILL. At this time, SA HILL was advised by a female individual who refused to identify herself at this residence that, "I don't know where Mr. KRUSE is. I will have him get in touch with you."

On June 16, 1961, SA HILL was telephonically contacted by who identified himself b6 b7C

as an attorney for KRUSE and desired to ascertain the reasons for the attempted interview with his client. [redacted] was advised that SA HILL was desirous of contacting KRUSE on some matters of interest to the FBI. [redacted] advised that he would contact his client and would then recontact SA HILL. To date, [redacted] has not recontacted SA HILL. b6 b7C

On June 29, 1961, CG T-18, advised that LESTER KRUSE is acquainted with and has utilized attorney [redacted] Chicago. [redacted] was formerly associated with the law firm of [redacted]. b6 b7C b7D

In September, 1961, CG T-7, advised that LESLIE KRUSE has been [redacted]

IX. INVESTMENTS

With regard to investments, it will be noted that under the caption, "Legitimate Enterprises" will be found considerable information on possible investments by KRUSE.

On June 1, 1961, CG T-18 advised that LESTER KRUSE [redacted] b7D

On June 16, 1961, CG T-7 advised that LESTER KRUSE presently [redacted], which may have been purchased in the name of DICK BERNAS, it being noted that BERNAS is a close associate of KRUSE and lives next door to him.

On November 27, 1961, [redacted] Hornblower and Weeks, stockbrokers located at b6 b7C

CG 92-1037
EWA:dkz

134 South La Salle Street and 28 South Michigan, Chicago, advised that he could locate no record of any stock transactions for LES KRUSE or [redacted] was puzzled by an apparent abbreviation used by KRUSE indicating his broker to be H and W. [redacted] added that the firm of Helbert and Warren were formerly in business as stockbrokers in Chicago but have now merged with an unidentified brokerage. b6 b7C

CG T-26 advised in February, 1962, that it had been reported to him that KRUSE would very likely buy some Commonwealth Edison stock. In connection with this he had received information that KRUSE and his family have a stock account at Thompson and Mc Kinnon, a Chicago brokerage house.

[redacted] Thompson and Mc Kinnon Brokers, Room 1850, 231 South La Salle Street, Chicago, was contacted and requested to furnish any information he might have concerning stock accounts for the subject or any member of his family.

[redacted] did not recognize a photograph of KRUSE as being anyone he was familiar with or as one of his customers. b6 b7C

[redacted] located an account for KRUSE and [redacted], one for KRUSE himself, and one for VIOLA E. KRUSE, KRUSE's sister. He said that the customer's man in each instance is ANDREW E. SORVILLO, who has been with this firm since 1915 and is a loyal and reputable employee.

He said that KRUSE has no open account now and his record indicates that in the past, he has done a great deal of buying but no selling and in his estimation, has realized huge profits on his stock provided he still has possession of it. He stated that largely his stock is that of a blue chip variety and in at least two instances has split two for one, and in almost every instance has increased greatly in value since its date of purchase.

The account of Mr. LESLIE E. KRUSE, 5206 Oakton, Skokie, Illinois, is numbered 70 21652 and was opened March 17, 1943. KRUSE's business is indicated as the Nu-Way Beer Coil Cleaning Company, 2438 Arthington, where KRUSE is the Secretary-Treasurer.

CG 92-1037
EWA:dkz

The index card maintained by the customer's man indicates limited information on the purchases under this and the subsequent accounts, and the information set forth hereafter is not complete insofar as the actual stock transactions are concerned. All the stock has been purchased "long":

100 shares of Gulf Oil @ $114.3/4, June 6, 1956, in the name of Mr. and Mrs. LESLIE KRUSE.

50 shares of Guld Oil @ $115 on June 6, 1956, in the name of [redacted].

43 shares of Commonwealth Edison (CWE) @ $36 on March 3, 1953.

257 shares of CWE.

100 shares of American Telephone and Telegraph (AT & T) at $161.½.

76 shares of AT & T.

24 shares of AT & T @ $159.3/4 on February 11, 1953.

41 shares of AT & T @$174.3/4 on January 19, 1955.

b6
b7C

333 shares of United Cigar Whelan.

110 shares of Northern Illinois Gas @ $20.5/8 on June 27, 1955.

288 shares of Northern Illinois Gas @ $21.7/8 on September 14, 1954.

600 shares of Continental Uranium @ $1.3/8, all of which was to be registered in another name (Tbran), 200 shares of which was purchased November 16, 1956, and 400 shares on November 19, 1956.

100 shares of Northern Illinois Gas @ $17.5/8 on February 11, 1957, Tbran [redacted].

30 shares of AT & T @ $167.7/8 on October 1, 1956, Tbran [redacted]

CG 92-1037
EWA:dkz

53 shares of Gulf Oil @ $120.1/8 on January 2, 1957, Tbran (?).

100 shares of Northern Illinois Gas @ $28.3/8, Tbran (?), December 30, 1958.

100 shares of Northern Illinois Gas @ $28.3/8, Tbran, December 30, 1958.

100 shares of Northern Illinois Gas @ $28.3/4, Tbran, December 30, 1958.

27 shares of AT & T @ $251.¼, Tbran, on May 4, 1959.

The account of Mr. LESLIE E. KRUSE and [redacted] is carried under number 70 171542 and was opened May 25,1959. Purchased under this account was:

100 shares of CWE @ $60.¼ on May 28, 1959.

60 shares of AT & T @ $89.5/8 on August 1, 1960, Tbran, 20 shares to [redacted] 20 shares to [redacted] and 20 shares to [redacted]

The account of Miss VIOLA E. KRUSE, 5206 Oakton, Skokie, Illinois, KRUSE's sister, is carried under number 70 99732, and was opened January 14, 1953. Her business is listed as Abrams Department Store as a department head at 3131 Lincoln Avenue, telephone LAkeview 5-1100. She bought 100 shares of Northern Illinois Gas on April 8, 1957, 18 shares Tbran.

b6
b7C

5 shares of CWE @ $34.3/4 on January 15, 1953.

30 shares of AT & T @ $250.5/8 on May 1, 1959.

30 shares of AT & T @ $170.3/8 on December 4, 1956, Tbran.

100 shares of Northern Illinois Gas @ $19.¼ on February 14, 1956, Tbran, [redacted]

30 shares of AT & T @ $169. on October 23, 1956, Tbran, [redacted]

53 shares of Gulf Oil @ $120.1/8 on January 2, 1957, Tbran, [redacted].

On March 9, 1962, [redacted] Stock Transfer Office, Commonwealth Edison, 72 West Adams Street, Chicago, was contacted by SAs WILMES and [redacted] in an effort to determine the extent of KRUSE's stock holdings in this corporation. [redacted] requested a letter be forwarded to him requesting the desired information and he would be more than willing to determine what if any information was available. This letter was sent and on May 4, 1962, [redacted] telephonically advised that his answer would be forthcoming shortly.

b6
b7C

On April 16, 1962, [redacted] with Wayne Hummer and Company, 105 West Adams, advised that in 1958 KRUSE answered an ad for a book on the stock market. They sent it to him and he is now on their mailing list. [redacted] said that KRUSE has no open or closed account with this brokerage. [redacted] advised that ordinarily a person who would purchase this book would have considerable interests or holdings in the stock market because of detailed information set forth therein.

X. POLICE PROTECTION

CG T-22 furnished information in about January, 1950 that LESTER "KILLER KANE" KRUSE has had a state highway escort of police at 3:00 or 4:00 a.m. on several occasions during the past six months when he was returning from his work at the club (RALPH's place).

CG T-18 advised on July 17, 1961 that he believes that LESLIE KRUSE "stands in good" at Waukegan, Illinois, where he "owns the sheriff." The informant advised this influence dates back to the days when KRUSE operated the Vernon Club in the Waukegan area, which was a gambling casino.

On May 18, 1961, CG T-1 advised that with reference to the Waukegan, Illinois area, LESTER KRUSE still maintains control of this area. Informant said

that KRUSE originally acquired control when he supervised hoodlum gambling interests at the Vernon County Club in Deerfield, Illinois years ago and through his contacts with the police and the criminal element, he still maintains control in this area.

In November, 1961, Chicago T-24 advised that KRUSE has considerable influence with [redacted] The informant stated that in this instance he is not aware what percipitated KRUSE's desire for additional police protection but feels it could be that KRUSE has a fear of the "young bloods" who are trying to take over in "the outfit." The informant feels this is possible since he has recently been advised that the younger members of "the outfit", such as PHIL ALDERISIO, [redacted] ROCCO POTENZO, and MARSHALL CIAFANO, are displeased with the way "the outfit" is being run. b6 b7C b7D

On December 1, 1961, Chicago T-1 advised that [redacted], of the Skokie, Illinois Police Department, has [redacted]

In December, 1961, Chicago T-23 advised that KRUSE has admitted making police pay offs and has indicated that it is a very necessary part of his doing business.

On March 13, 1962, Chief KENNETH P. CHAMBERLAIN (NA), Skokie, Illinois Police Department was contacted by SAs WILMES and [redacted] at the police department. The object of this interview was to discuss LESLIE KRUSE, a resident of Skokie, and CHAMBERLAIN subsequently advised that KRUSE was not known to him. b6 b7C

During the course of the conversation Chief CHAMBERLAIN who appeared to be extremely co-operative stated that he does not care how much money a man has that everyone will be treated equally and must obey the law. Chief CHAMBERLAIN indicated that he would be on the lookout for KRUSE or any representative of his who might try to make contact with him. Chief CHAMBERLAIN said that in view of the short time he has been in office he is not completely familiar with all of his officers, however,

CG 92-1037
EWA:dkz

he intends to keep his eyes open for any members who might be out of line and who might be inclined to accept any gratuities from KRUSE or to do any favors for him.

Referral/Consult

CG 92-1037
EWA:dkz

Referral/Consult

XII. DESCRIPTION

The following description of KRUSE was obtained from previously set forth records obtained from the Chicago Police Department and from his FBI Identification Record. It is noted that the most recent information contained in the Chicago files was obtained in 1959:

Name	LESLIE EARL KRUSE
Also Known As	LESTER KRUSE, "KILLER KANE", KELLY KOVE, RICHARD BERNAS, LES MC CARTHY, LEE MARSHALL, JOE MARSHALL, J. SWEENEY, GEORGE HOWLEY
Race	White
Sex	Male
Height	5'11½"
Weight	195 - 205 pounds
Hair	Brown, greying, thin on top
Eyes	Blue
Born	10/5/06, Niles Center, Illinois
Residence	(1959) 5206 Oakton Street, Skokie, Illinois
Occupation	Salesman

CG 92-1037

Facial Characteristics	2 prominent vertical wrinkles between eyebrows, prominent cleft in chin, wears glasses for reading
Marital Status	Wife, [redacted] b6
Children	[redacted] b7C
Social Security Number	359-12-0121

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

Chicago, Illinois
7-3-62

LESLIE EARL KRUSE
ANTI-RACKETEERING

Reference is made to report of Special Agent [redacted] dated and captioned as above. b6 b7C

XIII. CHARACTERIZATION OF INFORMANTS

CG T-1 is an individual whose position enables him to furnish information on a continuing basis concerning KRUSE.

CG T-2 is an individual who is able to furnish information concerning KRUSE and his family in Lake Worth, Florida.

CG T-3 is an individual who on occasion may be of assistance concerning some of KRUSE's [redacted] in Lake Worth, Florida. b7D

CG T-4 is a person who may be able to furnish information concerning KRUSE and his hoodlum contacts from time to time in the Chicago area.

CG T-5 is a person who from time to time may be able to furnish information concerning KRUSE and his family and associates in the Lake Worth, Florida area.

CG T-6 is an individual who on occasion may be called upon to furnish information concerning KRUSE in the Lake Worth, Florida area.

CG T-7 is a person who is acquainted with KRUSE and can furnish information concerning his personal habits.

CG T-8 is an individual familiar with top hoodlum activities in the Chicago area and is able to furnish information on a continuing basis.

CG T-9 is a person who is able to furnish information concerning KRUSE and other hoodlums from time to time.

CG 92-1037
EWA:dkz

CG T-10 is able to furnish information concerning KRUSE and his activities in Chicago on occasion.

CG T-11 is a person who may on occasion be in a position to furnish information concerning KRUSE and his associates.

CG T-12 is a person who on occasion may come into contact with KRUSE and his associates and will be able to furnish this information.

CG T-13 is a person who has a degree of association with most of the top hoodlums in Chicago.

CG T-14 is in a position to furnish extensive information concerning hoodlum activities in Chicago.

CG T-15 is in a position to furnish information concerning hoodlum activities in Chicago and may on occasion furnish information concerning KRUSE.

CG T-16 is a person in a position to furnish information concerning the hoodlum element in Chicago.

CG T-17 is an individual who is able to furnish extensive information concerning gambling activities in Chicago particularly those games run by KRUSE.

CG T-18 is a person who has some knowledge of KRUSE and his family and is in a position to furnish detailed information concerning this and other interests of KRUSE.

CG T-19 is a person who is able to furnish information concerning KRUSE's finances and income. This informant is another government agency.

CG T-20 is in a position to furnish information concerning gambling activities in Chicago particularly the large gambling operations run by KRUSE.

CG 92-1037
EWA:dkz

CG T-21 is in a position to furnish information concerning business background and similar information concerning KRUSE and his associates. This informant conducts credit type investigations for retail merchants.

CG T-22, informant, who in the past was able to furnish information concerning the personal habits of KRUSE.

CG T-23 is an individual who frequently comes in contact with persons who are close to KRUSE and are thus able to furnish a great deal of information about him.

CG T-24 is a person in a position to know KRUSE and his associates [redacted] and can particularly furnish information concerning KRUSE's [redacted] interests. b7D

CG T-25 is a representative of an investigative agency on a local level conducting investigations of top hoodlums in Chicago.

CG T-26 is an individual who occasionally comes into possession of information concerning KRUSE and his activities.

CG T-27 is an individual who by virtue of his activities is occasionally able to furnish information concerning KRUSE's gambling activities in the Chicago area.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

4-41 (Rev. 3-5-62)

Tolson
Belmont
Mohr
Callahan
Conrad
DeLoach
Evans
Malone
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

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☐ Radio ☒ Teletype

DEFERRED 7-6-62 6:46 AM LJC

TO DIRECTOR

FROM SAC, CHICAGO 052359

LESLIE EARL KRUSE, AKA, AR - DAILY SUMMARY.

[redacted] ADVISED THAT ON JUNE 26 LAST KRUSE MET ROCCO POTENZA AT THE H AND H RESTAURANT, NORTH LA SALLE STREET, CHICAGO, AND [redacted] POTENZA OPERATES A GAMBLING ESTABLISHMENT FOR SAM GIANCANA AT NILES, ILLINOIS, A $200 LIMIT GAME. POTENZA EMPLOYS [redacted] AKA [redacted], AS A STICKMAN IN HIS CRAP GAME AT NILES. [redacted] ACCORDING TO INFORMANT, HAS JUICE LOAN BUSINESS AT POTENZA'S NILES, ILLINOIS, GAME.

b6
b7C
b7D

INFORMANT SAID KRUSE [redacted] CLOSE ASSOCIATE OF GUS ALEX.

b6
b7C
b7D

INFORMANT STATES THAT [redacted]

b7D

22

69 JUL 13 1962

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

4-41 (Rev. 3-5-62)

Tolson
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PAGE TWO FROM CHICAGO 052359

[redacted]

INFORMANT FURTHER ADVISED THAT KRUSE IS [redacted] b7D
[redacted] DATE NOT SET YET.

RECEIVED: 8:04 AM HL

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

U. S. DEPAR
COMMUNIC
JUL 1962
TELETYPE

DEFERRED 7-10-62 7-16 PM TN

TO DIRECTOR, FBI 92-5505

FROM SAC CHICAGO 92-1037

LESLIE EARL KRUSE, AKA. AR. DAILY SUMMARY.

CHICAGO PREVIOUSLY ADVISED OF KRUSE-S REPORTED INVESTMENT IN THE HARLEM FRANKLIN BUILDING CORPORATION, THREE FOUR THREE NORTH LARAMIE STREET, CHICAGO, ILLINOIS, AND IN WHICH KRUSE IS LISTED AS THE PRESIDENT. A REVIEW WAS MADE OF THE COOK COUNTY RECORDER-S OFFICE, AND IT WAS FOUND THAT THREE FOUR THREE NORTH LARAMIE IS [redacted] WHO ARE LISTED AS [redacted] ALSO LISTED AS [redacted] IS [redacted] THE MORTGAGEE IS THE MID AMERICA FEDERAL SAVINGS AND LOAN ASSOCIATION AND THE AMOUNT OF THE MORTGAGE IS THRITY THOUSAND DOLLARS. THERE IS NO RECORD OF A TITLE TRANSFER INDICATING THE TITLE IS PROBABLY IN TRUST. KRUSE-S NAME APPEARS NO WHERE AMONG THE LEGAL DOCUMENTS CONNECTED WITH THIE PIECE OF PROPERTY, HOWEVER, INQUIRY WILL BE MADE TO DETERMINE WHETHER HE HAS ANY INTERESTS IN THE PROPERTY.

b6
b7C

92-5505 24

END AND ACK FOR TWO MESSAGES PLS

8-19 PM OK FBI WA FOR TWO MSGS RL

TU DISCTV

REC- 25

58 JUL 10 1962

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 7
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